REQUEST FOR PROPOSALS

For

Construction and Compliance Monitoring Services

DATE ISSUED: **DECEMBER 8, 2015**

DEADLINE TO SUBMIT RESPONSES: **DECEMBER 30, 2015**

2415 Quail Drive * Baton Rouge, Louisiana 70808
(225) 763-8700 * (888) 454-2001 * (225) 763-8710 (FAX)
www.lhc.la.gov

I. General and Administrative Information

A. Background and Purpose

The Louisiana Housing Corporation (referred to as both "LHC" and the "Corporation"), seeks proposals from qualified and experienced Proposers able to provide compliance monitoring services for the LHC's existing portfolio of federally funded, affordable multifamily and senior housing projects. These developments are located throughout the state of Louisiana and must be monitored for compliance with program rules and regulations.

The source of funds for this RFP may include, but may not necessarily be limited to the Low Income Housing Tax Credit (LIHTC) Program, Tax Credit Assistance Program (TCAP), HOME Investment Partnerships Program, and LHC General Funds.

The Louisiana Housing Corporation was created to consolidate funding sources and programs for affordable housing throughout the state and to provide for a coordinated approach to overall state housing policy. Prior to the establishment of LHC in 2012, federal and state housing dollars flowed through many different state agencies, including the Louisiana Housing Finance Agency (LHC's predecessor), the Office of Community Development, the Department of Health and Hospitals, the Department of Children and Family Services, and the Louisiana Housing Authority. Collectively, these agencies managed programs from homelessness prevention to disaster recovery. To service the state's housing needs, LHC works with a variety of external entities, including lenders, developers, property managers and non-profit organizations. Many of our housing programs are federally funded, which requires a working relationship with government agencies such as the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Energy, and the U.S. Treasury.

The LHC monitors projects developed using the following funding sources:

1. Low Income Housing Tax Credits (LIHTC) in accordance with Section 42 of the Internal Revenue Code.
2. HOME Investment Partnerships Program in accordance with Title II of the Cranston-Gonzalez National Affordable Housing Act (NAHA), as amended. The "Final Rule" for the HOME Program is found in 24 CFR Part 92, as amended on July 24, 2013.
3. Multi-Family Mortgage Revenue Bond Financing in compliance with Louisiana State Bond Commission regulations and requirements.
4. Federal Deposit Insurance Corporation (FDIC) Affordable Housing Development in accordance with Land Use Restriction Agreements (LURA).
5. FHA Insured (Risk Share) as authorized under Section 542(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707)

B. Definitions

1. **Contractor** – Any firm or individual who is awarded or has a contract with another firm, individual or governmental body.

2. **Corporation –** Louisiana Housing Corporation.

3. **Discussions** -- For the purposes of this RFP, a formal, structured means of conducting written or oral communications/presentations with responsible Proposers who submit proposals in response to this RFP.

4. **HCV** – Housing Choice Voucher

5. **HUD –** U.S. Department of Housing and Urban Development, the federal agency that administers CDBG funds.

6. **LHC** – Louisiana Housing Corporation

7. **LHTF** – Louisiana Housing Trust Fund

8. **LIHTC** - Low Income Housing Tax Credits

9. **NRPP** – Nonprofit Rebuilding Pilot Program

10. **NSP** – Neighborhood Stabilization Program

11. **OCD** – Louisiana State Office of Community Development

12. **Program -** Disaster Recovery Housing Programs and other similar programs yet to be defined, including programs occurring as a result of past and future disasters.

13. **Program Services** – Denotes the services to be provided by the Contractor awarded a contract under this RFP.

14. **Proposal** – A response to a Request for Proposals.

15. **Proposer** – A firm or individual who responds to a Request for Proposals.

16. **REAC PASS** – Real Estate Assessment Center, Physical Assessment Subsystem

17. **RFP** – Request for Proposals

18. **Section 1602** – LIHTC Credit Exchange Program.

19. **Shall, Must, Will** – Denotes mandatory language; a requirement that must be met without alteration.

20. **Should, Can, May** – Non-mandatory language denoting desirable, advisable or permissible action.

21. **State** – The State of Louisiana.

22. **Subcontractor –** A firm or individual entering into a contract with the Contractor.

23. **TCAP** – Tax Credit Assistance Program

C. Important Dates and Deadlines

RFP published and posted to LHC website	December 8, 2015	
Deadline for submitting written inquiries	December 16, 2015	5:00 p.m.
Deadline for LHC to respond to written inquiries from Proposers	December 18, 2015	5:00 p.m.
Deadline for submitting proposals	December 30, 2015	12:00 p.m.
Formal announcement of selected Proposer(s)	January 13, 2016	
Contract Execution	TBD	

NOTE: The LHC reserves the right to revise this schedule. Any such revision will be formalized by the issuance of an addendum to the RFP.
****Time to be determined***

II. Proposal Information

A. Proposal Submission

Interested parties may obtain a copy of the RFP by submitting their name, title, firm name, address, telephone and fax numbers, and e-mail address to LHC using the contact information below, or by visiting LHC's website at www.lhc.la.gov:

Louisiana Housing Corporation
ATTN: Anita Tillman, Policy Director
Re: RFP for Construction and Compliance Monitoring Services
2415 Quail Drive
Baton Rouge, Louisiana 70808
E-mail: atillman@lhc.la.gov

Proposals shall be delivered in hard copy and in an electronic file. The hard copy shall be signed in the original, and ***received*** by the Louisiana Housing Corporation by or before 12:00 p.m. Central Time on **December 30, 2015**. Proposers should provide four (4) additional copies for a total of five (5) copies. **The cost proposal shall be submitted separately in a sealed envelope and should include one (1) original and four (4) copies.** The electronic file shall be delivered in PDF format on a USB flash drive in the same packet with the hard copies.

Proposals may be mailed or delivered by hand or courier service to the following address:

Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, LA 70808
Attn: Anita Tillman

IMPORTANT: Clearly mark the outside of the envelope, box, or package with the following information and format:

Proposer Name and Address:_____
Primary Contact for Proposer:_____
Proposal for: **Compliance Monitoring Services**

Responses may not be delivered via facsimile transmission or other telecommunication or electronic means. Proposers assume the risk of the delivery method chosen, including delivery via private courier

or the United States mail. **Please be advised that proposals arriving after the 12:00 p.m. deadline, whether via personal delivery, U.S. mail, Federal Express, UPS, or other comparable method of delivery, will not be accepted for any reason.**

The Proposer is solely responsible for ensuring that its courier service provider makes inside deliveries to the address set forth above. LHC is not responsible for any delays caused by the Proposer's chosen means of proposal delivery. Additionally, the Proposer is solely responsible for the timely delivery of its proposal. **Failure to meet the proposal receipt date and time shall result in rejection of the proposal.**

This RFP does not commit the Corporation to award any contract nor to pay any costs incurred in the preparation or delivery of responses. Furthermore, the Corporation reserves the right to accept or reject, in whole or in part, any and all responses submitted, and/or to cancel this RFP. The Corporation also reserves the right to ask for additional information from any Proposer and/or all Proposers as may be necessary or appropriate for purposes of clarification.

B. Authorization

The proposal must be signed by a duly authorized representative, such as:

1. The current executive director, board member, or other individual specifically authorized to submit a proposal as reflected in the appropriate records of the proposer;
2. An individual authorized to bind the entity as reflected by a resolution, certificate or affidavit; or
3. An individual identified in other documents conferring the appropriate authority in a form acceptable to the LHC.

Proposers must be registered entities and in good standing under the laws of the State of Louisiana and certified to conduct business in the State of Louisiana, pursuant to La. R.S. 12:301-302, by the Louisiana Secretary of State, prior to entering into a contract with LHC.

C. Contact Prohibitions (Blackout Period)

It is the express policy of the Corporation that prospective Proposers to this RFP refrain from initiating any direct or indirect contact or communication with Corporation staff or members of the Corporation's Board of Directors with regard to the this RFP. The Blackout Period is a specified period of time during a competitive sealed procurement process in which any Proposer, bidder, or its agent or representative, is prohibited from communicating with any LHC employee or services contractor of LHC involved in any step in the procurement process about the affected procurement. The Blackout Period applies not only to Corporation employees, but also to the Board of Directors and any contractor of the Louisiana Housing Corporation. "Involvement" in the procurement process includes but may not be limited to program management, design, development, implementation, procurement management, development of specifications, and evaluation of proposals for a particular procurement. All solicitations for

competitive sealed procurements will identify a designated contact person. All communications to and from potential Proposers, bidders, vendors and/or their representatives during the Blackout Period must be in accordance with this solicitation's defined method of communication with the designated contact person. The Blackout Period will begin upon posting of the solicitation. The Blackout Period will end when the contract is awarded.

Any violation of this policy by the bidder, proposer, or contractor will be considered as a basis for disqualification from consideration and may be liable to LHC in damages and/or subject to any other remedy allowed by law including rejection of proposal or cancellation/termination of contract. Further, failure to comply with these requirements may result in disqualification. The LHC will produce public records in accordance with LA R.S. Title 44.

Notwithstanding the foregoing, the Blackout Period shall not apply to:

1. Duly noticed site visits and/or conferences for bidders or proposers;
2. Oral presentations during the evaluation process;
3. Communications regarding a particular solicitation between any person and staff of the procuring agency provided the communication is limited strictly to matters of procedure. Procedural matters include deadlines for decisions or submission of proposals and the proper means of communicating regarding the procurement, but shall not include any substantive matter related to the particular procurement or requirements of the RFP.

D. Questions and Answers Regarding the RFP

Proposers may submit written questions concerning the RFP via e-mail to **Anita Tillman**, at atillman@lhc.la.gov by no later than 5:00 p.m. Central Time on Wednesday, December 16**.** All questions and answers shall be posted on LHC's website at www.lhc.la.gov by Friday, December 18, 2015 at 5:00 p.m.

Inquiries shall clearly reference the section of the RFP about which the Proposer is inquiring or seeking clarification.

The Corporation reserves the right to modify the RFP should a change be identified that is in the best interest of the Corporation. It is the sole responsibility of the Proposer to inquire into and clarify any portion of the RFP that is not understood.

E. Costs Incurred in Preparation of Proposal

All costs directly or indirectly related to preparation of a proposal in responding to this RFP, any oral presentations required to supplement and/or clarify a proposal, and any reasonable appearance which may be required by the LHC in connection with this Proposal, shall be the sole responsibility of the Proposer, and shall not be reimbursed in any manner by the LHC.

F. Ownership of Offer

All materials submitted in response to this request shall become the property of the LHC. Selection or rejection of a proposal does not affect this right. All proposals submitted will be retained by the LHC and shall not be returned to Proposers.

G. Offer Validity

All proposals shall be considered valid for acceptance until such time as an award is made.

H. Proprietary Information

Only information that is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the response and will be handled in accordance with the Louisiana Public Records Act, La. R.S. 44.1 *et seq.*, and applicable rules and regulations. Any response marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

Proposers must be prepared to defend the reasons the material should be held in confidence. If a competing Proposer or other party seeks review or copies of a Proposer's confidential data, the Corporation will notify the Proposer of the request. If the Proposer does not want the information disclosed, it must agree to indemnify and hold the Corporation harmless against all actions or court proceedings that may ensue (including attorney's fees) which seek to order the Corporation to disclose the information. If the Proposer refuses to indemnify and hold the Corporation harmless, the Corporation may disclose the information.

The Corporation reserves the right to make any response, including proprietary information contained therein, available to its personnel, the Office of the Governor or other State agencies or organizations, for the sole purpose of assisting the Corporation in its evaluation of the response. The Corporation shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of participation in these evaluations.

I. Code of Ethics

Proposers are responsible for determining that there will be no conflict of interest or violation of the Louisiana Code of Governmental Ethics, R.S. 42:1101, *et seq.*, if their firm is awarded the contract. Ethics issues are interpreted by the Louisiana Board of Ethics.

J. Changes, Addenda, Withdrawal

The LHC shall reserve the right to change the schedule of important dates and deadlines or revise any part of the RFP by issuing an addendum to the RFP at any time. Addenda, if any, will be posted at www.lhc.la.gov. It shall be the responsibility of the Proposer to check the website for addenda to the RFP.

K. Withdrawal of Proposal

The Proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the Proposer must be submitted to the RFP Coordinator.

L. Cancellation of RFP or Rejection of Proposals

Issuance of this RFP in no way constitutes a commitment by the LHC to award a contract. The LHC reserves the right to accept and/or reject any or all proposals, or to cancel this RFP if it is determined to be in the best interest of the LHC.

M. Waiver of Administrative Informalities

The LHC reserves the right, at its sole discretion, to waive minor administrative informalities contained in any proposal.

N. Acceptance of Proposal Content

The mandatory RFP requirements shall become a contractual obligation if a contract ensues. Failure of the successful Proposer to accept this obligation shall result in rejection of the proposal.

O. Evaluation and Selection

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the LHC, which will determine the proposal most advantageous to the LHC, taking into consideration price and other evaluation factors set forth in the RFP.

P. Written or Oral Presentations/Discussions

Written and/or oral discussions may be conducted by the Corporation with Proposers submitting proposals determined to be reasonable choices for selection and contract award; however, the Corporation reserves the right to enter into a contract without further discussion of proposals submitted, based on initial offers. Any commitments or representations made during such discussions, if conducted, may be formally recorded in the final contract. Written and/or oral discussions/presentations for clarification may be conducted in order to enhance the Corporation's understanding of any or all of the proposals submitted. A contract may, however, be awarded without such discussions.

Q. Contract Award and Execution

The LHC shall reserve the right to enter into a contract without further discussion of the proposal submitted based on the initial offers received.

The LHC shall reserve the right to contract for all or a partial list of services offered in the proposal.

The selected Proposer shall be expected to enter into a contract that contains substantially similar contract terms and provisions as set forth in Section VI. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate only on terms not mandated. Negotiations may begin with the announcement of the selected Proposer.

If the contract negotiation period exceeds ten (10) business days, the Corporation may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

R. Notice of Intent to Award

The Evaluation Team will compile the scores and make a list of recommended vendors. The Corporation reserves the right to issue multiple contracts.

The Corporation will notify the successful Proposer(s) and proceed to negotiate terms for final contract(s). Unsuccessful Proposers will be notified in writing accordingly.

S. Certification of OMB A-133 Compliance

Proposers must provide certification that they are not suspended or debarred from conducting business with government agencies. By signing and submitting any proposal for one hundred thousand dollars ($100,000) or more, the Proposer certifies that the represented company, as well as any subcontractors or principals, are not suspended or debarred by the General Services Administration ("GSA") in accordance with the requirements in OMB Circular A-133.

T. Disqualification

The LHC reserves the right to verify all information provided by a Proposer via direct contact with the Proposer's clients and prior program personnel and Proposers must agree to provide necessary authorizations for the LHC to verify any of the Proposer's previous work. As described elsewhere in this RFP, each Proposer will be required to submit a detailed resume for all key personnel. Misstatements of experience and scope of prior projects shall be grounds for disqualification of the Proposer from further consideration.

U. Errors and Omissions in Proposals

The Corporation will not be liable for any errors in proposals. The Corporation reserves the right to make corrections or amendments due to errors identified in proposals by the Corporation or the proposer. The Corporation, at its option, has the right to request clarification or additional information from the Proposer.

III. Scope of Work

A. Introduction

The Louisiana Housing Corporation is the state's housing finance agency and provides financing in the form of tax credits, mortgage revenue bonds, and other financing from federal programs to developers for land acquisition, construction, and preservation of multifamily developments.

The Contractor selected under this RFP will be responsible for providing compliance monitoring services for approximately 900 projects that have been placed in service in the current LHC portfolio. The selected Contractor will also be responsible for both construction monitoring and compliance monitoring of any future projects that are funded and placed in service. Pursuant to program rules and regulations, the Contractor shall:

- Monitor the construction and long term compliance of rental housing projects assisted by LHC under various financing programs to determine compliance with federal, state and local laws, rules and regulations;
- Collect, review, and if necessary, follow up with owners on reports and other documents that are required to be submitted (e.g., certifications and annual financial audit reports);
- Maintain the compliance monitoring database using Housing Development Software (HDS);
- Prepare written status reports; and
- Provide technical assistance.

B. Overview

The number of properties inspected by the Compliance Department varies each year due to the required rotation of inspection schedules. Over 4,800 units were physically inspected in FY15. The number of properties assigned to the Department for monitoring generally increases annually. The table below demonstrates the universe of compliance activities projected in 2016:

Scope	Activity	Units to be monitored/inspected in 2016
Construction Monitoring		
	Construction Inspections[1]	2,200 units
Compliance Monitoring		
	Physical Inspections & Tenant File Audits	4,500 units
	Tenant Data Collection & Reporting	913 Properties/50,164 units
Technical Assistance		As needed

[1] The total number of units shown includes multiple site visits per property during construction.

The number of units in monitored properties ranges from one unit to over 600 units. Successful execution of compliance monitoring requires the Contractor to:

1. Ensure that low-income housing properties are decent, safe, sanitary and well-maintained;
2. Ensure that property owners and managers adhere to Regulatory Agreements, Compliance Monitoring Agreements and Fair Housing Laws;
3. Maintain knowledge and awareness of current federal and state legislation, Internal Revenue Service (IRS) laws and rulings, and HUD's annual adjustments in Area Median Income calculations;
4. Ensure that the housing policy objectives of LHC, Congress and HUD are met;
5. Ensure effective and efficient use of allocated funds and protect against fraud, waste, and abuse;
6. Ensure effective and efficient service delivery;
7. Determine risk factors in order to set monitoring priorities; and
8. Identify and implement monitoring objectives for all programs, including:
    a. Documenting program and compliance rules and adherence to the rules;
    b. Identifying and tracking program and project results; and
    c. Identifying innovative tools/techniques that support affordable housing goals.

The LHC Minimum Design Standards, Compliance Monitoring Agreement, Asset Management Procedures, and Fair Housing Principles and Requirements can be found in Exhibit B.

C. Construction and Compliance Monitoring

Contractor shall perform building and unit inspections and review tenant files in projects designated by LHC.

LHC shall designate specific projects to be audited during a given year. Contractor shall propose a schedule to meet the monitoring requirement deadlines. Contractor may propose to perform compliance monitoring earlier to minimize Contractor's costs. The proposed schedule is subject to review and approval by LHC.

At minimum, Contractor shall schedule:

- LIHTC audits in accordance with the Internal Revenue Code and LHC Compliance Monitoring Agreement and Asset Management Procedures;
- HOME and NSP audits in accordance with HUD regulations and applicable state requirements. Initial HOME audits shall be performed within 12 months of project completion; and
- LHTF, TCAP, and Section 1602 audits at least once every three (3) years.

The LHC reserves the right to modify the frequency of audits as deemed necessary by LHC to comply with program requirements.

1. Construction Monitoring

The LHC is responsible for inspections during construction, processing and approving advances of mortgage proceeds during construction, review and approval of cost certification.

LHC's Minimum Design Standards are to be used as a guideline to meet and exceed all local, state, and national codes. When standards appear to conflict, the most stringent standard must be adhered to. These standards also provide a way to enforce above average construction and design for builders, contractors, and design professionals who wish to utilize funding from the Louisiana Housing Corporation.

a. Codes

All construction must comply with Louisiana State Uniform Construction Code (LSUCC), local planning and zoning, and local authorities and jurisdictions. Federal regulations which may pertain to the specific project such as the Fair Housing and Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended, also apply. It is strongly encouraged that the 2010 ADA/ABA standard be utilized when designing accessible units and public facilities. The selected Proposer will not be responsible for code enforcement. Code enforcement is to be performed by the Authority Having Jurisdiction (AHJ).

b. Energy Efficiency

All residential building envelope designs shall exceed the energy efficiency requirements of the Louisiana State Uniform Construction Code (LSUCC), 2009 International Energy Conservation Code (IECC) and the latest version of Energy Star Qualified Homes standards at the time of funding

Upon receipt of the final plans and specifications, the LHC Construction Compliance Division will perform a review of the documents and issue a letter of approval if applicable.

As construction proceeds, items of non-compliance with applicable state, local, and federal codes that are discovered by LHC or other inspectors shall be corrected at the owner's expense and as approved by the corporation. The LHC and its staff assume no responsibility or liability for errors or omissions in the design and contract documents as prepared by the owner's architect.

2. Projects with Multiple Sources of Funding

In addition to Low-Income Housing Tax Credits, multifamily development projects may be receiving assistance from other federal or state housing programs. Other programs include but are not limited to:

a. HOME Investment Partnerships Program (HUD)
b. Affordable Housing Disposition Program (FDIC)
c. Historic Tax Credits Program
d. CDBG Program (HUD/La. Office of Community Development)

e. Non-profit Rebuilding Pilot Program (NRPP)
f. Affordable Housing Program (Federal HOME Loan Bank)
g. RD 515 Program (USDA)
h. Section 8 Program (HUD)
i. Piggy Back (OCD)
j. Permanent Supportive Housing Developments (PSH)
k. Project-Based Voucher Program (PBV)

In cases where monitoring requirements differ between programs, owners/managers should follow the most restrictive requirement. Taking this approach will ensure owners/managers meet the correct requirements and their responsibilities under the Compliance Monitoring Agreements.

3. Compliance and Extended Use Periods

Project owners agree to comply with the applicable program's affordability requirements throughout the compliance period for the project. Owners receiving a commitment of LIHTCs in 1990 or subsequent years execute an extended use agreement for the project which establishes a 15-year low-income occupancy extended use period and a 15-year low-income occupancy compliance period. Project owners receiving LIHTCs between 1987 and 1989 have a 15-year low-income occupancy commitment. A project's regulatory and extended use agreement are is a deed restriction (entitled "Tax Credit Regulatory Agreement of the Louisiana Housing Corporation") that project owners must sign and record in the local parish, clerk of court records at the time that the LIHTC project is placed in service. The agreement establishes the occupancy and affordability requirements, called special conditions, for the property, as well as the owner's obligations to LHC. The owner agrees to the restrictions on the use of the property set forth in the regulatory agreement. The regulatory agreement binds the project owner and all succeeding owners for the full term of the agreement, regardless of whether the regulatory agreement is formally re-executed by the purchaser at the time of sale, assignment or assumption.

4. Physical Inspection Frequency

Depending on the source of funding, projects are inspected on a one, two, or three-year cycle throughout the compliance period. Listed below is the minimum inspection frequency for each program type. LHC reserves the right to conduct inspections more frequently if LHC deems this necessary and appropriate based on the results of a previous inspection or for any other reason(s).

Low Income Housing Tax Credit, Tax Credit Assistance Program (TCAP) and Section 1602 Developments (with no additional sources of LHC funding or assistance) – every 3 years. Inspections for new projects are conducted no later than the end of the second taxable year after the last building is placed in service.

LHC-financed developments (LHTF) - every 12 months.

HOME developments (with or without LIHTC) – Physical inspections are conducted at construction completion; within 12 months of completion; and at least every three (3) years thereafter. Projects found to have health or safety issues must be re-inspected within 12 months of such findings.

- 1-4 HOME assisted units – 100% of units must be inspected
- 5+ HOME assisted units – 20% of total units or what is considered a statistically valid sample determined by HUD through notice. A minimum of four (4) units must always be inspected.

Developments with multiple sources of funding – Physical inspection frequency defaults to the most restrictive program requirement.

5. Physical Condition Standards

Projects must comply with all state and local building, health and fire codes as well as the Uniform Physical Condition Standards (UPCS)[2]. The owner/management agent must notify the LHC inspector of any local code violations, regardless of whether or not the violations have been corrected.

Treasury Regulation 1.42-5 outlines UPCS) as the inspection protocol for the LIHTC program. The UPCS is defined in Federal Register 24 CFR, Parts 5 and 200 and is the standard used by HUD REAC PASS inspectors. The UPCS:

- Identifies the five inspectable areas (Site, Building Exterior, Building Systems, Common Areas, and Units) and exigent health and safety hazards.
- Standardizes definitions for inspectable items.
- Provides uniform, objective protocol for training inspectors to perform inspections of all property types and sizes, at any location.

LHC Compliance Monitoring oversees physical inspections for several LHC-administered housing programs, some of which have physical condition standards over and above UPCS. When conducting physical inspections, the following physical inspection standards will be applied:

A. Contractor shall perform unit and building inspections using the following inspection standards:

1. **LIHTC, LHTF, TCAP, and Section 1602** - Contractor shall conduct Uniform Physical Condition Standards (UPCS) inspections. The UPCS inspection standards are incorporated by reference in this RFP: [http://www.hud.gov/offices/reac/products/pass/pass_def_revised.cfm].
2. **HOME and NSP** - Contractor shall conduct Uniform Physical Condition Standards (UPCS) inspections. The UPCS inspection standards are

[2] HQS is only utilized with vouchers or NRPP. UPCS is replacing HQS as dominate HUD standard.

incorporated by reference in this RFP: [http://www.hud.gov/offices/reac/products/pass/pass_def_revised.cfm].

3. **HOME TBRA** - Contractor shall determine that inspections are performed in accordance with HUD requirements.
4. **LIHTC with LHC or Government Financing** (i.e. PBV with LIHTC, HOME with LIHTC, Bond with LIHTC, etc.) – Contractor shall conduct Uniform Physical Condition Standards (UPCS) inspections.
5. **FHA-Insured Developments** – HUD REAC Inspection Standards, timeline and system is required.

B. Contractor's inspectors must be HUD UPCS certified and shall perform UPCS physical inspections of all buildings, including unit features, project amenities and grounds (including landscaping) to evaluate overall appearance and compliance requirements. Findings must be indicated on a Physical Inspection Report.
C. Contractor shall inspect and report findings for Fair Housing, Section 504, Americans with Disabilities Act, and other related requirements.
D. Contractor shall review local health, safety, or building code violation reports or notices that have occurred. Contractor shall review all violations and corrective actions taken and document whether the buildings and/or units are suitable for occupancy. This information must be documented in an Audit Report.
E. If necessary, Contractor shall perform subsequent inspections to ascertain if findings have been adequately addressed and report status to LHC.

6. Unit Selection

LHC reserves the right to require the Contractor to inspect a higher percentage of units if LHC deems this necessary based on the results of a previous inspection or for any other reason(s).

A. Minimum percentage of units for each program type that will be inspected:

1. **LIHTC, LHTF, TCAP, and Section 1602** - 20% of the low income units in the project, not to include market rate units.
2. **Initial HOME Audits** - 100% of the HOME assisted units.
3. **Subsequent HOME Audits** - 20% of the HOME assisted units with a minimum of one in each building or higher as set forth by HUD through notice.
4. **Subsequent NSP Audits** – All new move ins or a minimum of 20% of the NSP assisted units. Currently, the NSP program does not require performance of annual re-certifications.
5. **LHC-Financed Projects** - 20% of the total units in the development (including restricted and market-rate units).
6. **Developments with Multiple Funding Sources** – The number of units to inspect defaults to the most restrictive program requirement.

7. Tenant File Audits

As provided in compliance monitoring regulations, LHC (or a contractual agent authorized by LHC) has the right to review a project's Tenant/Unit Files, Development File, and record-keeping and record retention files. The reviews may be conducted in-house (at LHC offices) or on-site at a tax credit project as deemed necessary throughout the compliance period (initial 15 year and extended use). LHC has the right to conduct the file audits at any time, without notice. However, notice typically will be provided to the owner/management agent and the general procedures will usually be followed.

Tenant file audits ("file audits" or "audits") are required to determine if owners of housing developments funded under certain government programs (i.e. LIHTC, HOME, Bonds, etc.) are complying with federal and state regulations. Compliance with these regulations includes certifying the incomes of tenants, ensuring that rents charged are within program guidelines and ensuring that residents meet program and project eligibility.

Contractor shall conduct LIHTC audits in accordance with the Internal Revenue Code, LHC Compliance Monitoring Agreement and Asset Management Plan. Contractor shall perform HOME and NSP audits in accordance with HUD regulations and applicable state requirements.

8. General Scope of Tenant File Audits

To determine if the unit is in compliance with applicable program/project rules and regulations, the file auditor will review the following information:

A. Contractor shall review tenant files to determine compliance with applicable program rules and regulations. Contractor's review shall include, but not be limited to, the following, depending on program requirements:

   1. Initial tenant certification along with verifications and supporting documentation used to determine income/asset;
   2. Current income certification along with verifications and supporting documentation to determine income/asset;
   3. Determine if household is qualified under the appropriate program income limit;
   4. Deductions and allowances (i.e., medical, elderly and dependent) for each household and the documentation used to determine those deductions and allowances, if required by program;
   5. Supplemental documentation (i.e., social security cards, birth certificates, etc.), if required by program;
   6. Composition of each household, related student status, and elderly status, if applicable;
   7. Re-certifications for each household, if required by program;
   8. Rent amount charged to each household under the appropriate program limits;
   9. Appropriate utility allowances are used;

10. Executed lease agreements and appropriate lease terms required by program;
11. Identify prohibited lease agreements provisions;
12. Determine that for pre-1978 projects, the proper lead pamphlet receipts, lead hazard evaluations, and lead hazard reduction notices are on file for required programs;
13. Verify that Owner/Managing Agent conducts annual inspections;
14. Verify that Owner/Managing Agent follows tenant selection policy;
15. Consistency of the information provided in tenant files, on reports submitted by the Owner, the rent roll, and lease agreements;
16. Determine if set-asides have been met under the applicable programs;
17. Determine that the Next Available Unit Rules are followed under the applicable programs;
18. Obtain the current number of vacant units and vacancy percentage. If the percentage of vacancy is 10% or higher, obtain written explanation and improvement plan for addressing the vacancy issue; and
19. For HOME Tenant-Based Rental Assistance (TBRA) audits, Contractor shall complete applicable sections of Exhibit 7- 10, Guide for Review of Tenant- Based Rental Assistance (TBRA) Program (6509.2 REV-6) to provide to LHC. Exhibit 7-10 is incorporated by reference in this RFP: [www.hud.gov/offices/cpd/library/monitoring/doc/7-10.doc]. Additional monitoring forms may be required for HOME and NSP.

B. Contractor shall:
1. Schedule and provide written notice to the Owner and Managing Agent at least 30 days prior to the commencement of the typical[3] audit.
2. Verify with Owner/Managing Agent that tenants have been provided with written notice of the scheduled unit and building inspections;
3. Perform unit and building inspections in conjunction with file reviews; and
4. Meet with Owner and Managing Agent to discuss audit findings, if representatives are available at the completion of the audit.

9. File Audit Frequency

Depending on the source of funding, projects are audited on a one-year or three-year cycle for the duration of the compliance period. Listed below is the minimum file audit frequency for each program type. LHC reserves the right to conduct audits more frequently if LHC deems this necessary and appropriate based on the results of a previous tenant file audit or for any other reason(s).

Low Income Housing Tax Credit (LIHTC or tax credit), Tax Credit Assistance Program (TCAP) and Section 1602 developments – File audits are conducted every 3 years. Initial file audits for new buildings are conducted no later than the end of the second taxable year after the last building is placed in service.

[3] Shorter notice is allowed on a case by case basis.

LHC-financed developments (with or without LIHTC) – File audits are conducted every three years, or at the request of the LHC. LHC-financed developments include bond projects.

HOME developments (with or without LIHTC) – File audits are conducted at construction completion; within 12 months of completion; and at least every three (3) years thereafter. Projects found to have health or safety issues must be re-inspected within 12 months of such findings.

- 1-4 HOME assisted units – 100% of units must be inspected
- 5+ HOME assisted units – 20% of total units or what is considered a statistically valid sample determined by HUD through notice. A minimum of four (4) units must always be inspected.

10. Number of Files Audited

Listed below are the minimum percentages of files for each program type that will be audited. LHC reserves the right to review a higher percentage of files, if LHC deems this necessary and appropriate based on the results of a previous tenant file audit or for any other reason(s).

Low Income Housing Tax Credit, Tax Credit Assistance Program (TCAP) and Section 1602 Developments - 20% of the restricted units in the development.

LHC Financed Developments - 20% of the restricted units in the development.

Developments with multiple sources of funding – File audit frequency defaults to the most restrictive program requirement.

11. Audit Reports

A. Audit Report.
Within 30 calendar days from the date the audit was performed, Contractor shall provide the Owner with a written Audit Report and submit copies to the Managing Agent and LHC.

Contractor shall indicate in the Audit Report whether the project complies with program requirements, including health, safety and building codes.

For all units with potential compliance issues, the Audit Report must indicate the following:

1. The compliance issue by program, along with recommendations for corrective action
2. The date the identified unit(s) was determined to be non-compliant;
3. The deadline for taking corrective action;

4. Any applicable HOME/NSP units; and
5. For LIHTC audits, indicate on the audit reports that the LHC must file IRS Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, with the Internal Revenue Service for noncompliance, even when corrected. IRS Form 8823 is incorporated by reference in this RFP [www.irs.gov/pub/irs-pdf/f8823.pdf].

If Owner requests an extension to the correction deadline, Contractor shall consult with LHC and notify Owner of the decision on the requested extension.

B. Final Summary Report.
Upon review of the Owner's/Managing Agent's response to the Audit Report, Contractor shall provide a final summary report to the Owner (with a copy to the Managing Agent). The final summary report shall indicate whether (a) the response is acceptable and the compliance issue(s) has been resolved or (b) the compliance issue(s) remains outstanding and the recommended/required corrective action(s) to be taken.

Contractor shall forward a copy of the final summary report to LHC along with summary responses from the Owner/Managing Agent.

1. For LIHTC audits, Contractor shall use the current "Guide for Completing Form 8823 Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition" and other IRS guidance to recommend to LHC if issues shall be reported to the IRS. The Guide is incorporated by reference in this RFP [https://www.novoco.com/low_income_housing/lihtc/8823_guide.php].
2. Contractor shall prepare IRS Form(s) 8823 for LHC for submission to the IRS. Contractor shall provide the necessary explanation and/or supporting documentation needed for filing IRS Form(s) 8823.
3. For all programs, Contractor shall assist LHC in preparing any other reports required by the IRS and/or HUD.
4. Contractor shall prepare updated final summary reports as requested by LHC.

C. Follow-up
In the event Owner fails to provide a response to audit findings by the correction deadline, Contractor shall follow-up with Owner, notifying LHC and appropriate agencies of Owner's failure to respond.

Contractor shall work with Owner/Managing Agent to correct outstanding compliance issues and report status to LHC within 30 days of follow-up with Owner.

Contractor shall be available to discuss responses from Owner/Managing Agent.

12. Reports

Owners must submit to LHC reports pursuant to program rules and regulations.

A. Contractor shall be responsible for:
   1. Collecting and reviewing all required reports including annual financial audit reports;
   2. Determining if set-asides have been met;
   3. Determining if the Next Available Unit Rules have been followed;
   4. Electronically tracking the submission of reports;
   5. Promptly sending reminder notices to Owner/Managing Agent for outstanding reports (e.g., Annual Reports for LIHTC, LHTF, HOME and NSP projects; Status Reports for LHTF projects), compliance issues, or incomplete data and submissions; and
   6. If applicable, collecting and transmitting reports to HUD.

B. Contractor shall prepare the following status reports for LHC:
   1. Quarterly Status Reports, in a format acceptable to LHC, shall be submitted within 10 days from the close of each quarter. The report shall include, but is not limited to, the following information:
      a. Status of audits conducted during the quarter;
      b. Status on any outstanding audits; and
      c. Audit schedule for subsequent quarter.
   2. Annual Summary Reports, in a format acceptable to LHC, shall be submitted within 30 days from the end of each contract year. The report shall include, but is not limited to, the following information:
      a. Summary of annual/quarterly reviews and compliance monitoring audits for projects assisted by LHC;
      b. Results of reviews and audits, including follow-up with Owners; and
      c. A list of compliance issues identified for each project and description of corrective action(s) taken.

13. Tenant Data Reporting System

("HERA"). Beginning September 30, 2010, HERA requires state housing finance agencies to annually collect and submit to HUD certain demographic data regarding the residents living in tax credit projects.

LHC collects the required data for each resident in the project through the online tenant data reporting system and annually submits the data to HUD.

Name of Software Program: HDS Web Tenant Compliance (WTC)
Owners and managers of LIHTC projects must report the annual income, rent charged and additional resident demographic information for each restricted unit in the development to LHC through the on-line tenant data reporting system - WTC. This data must be entered on an on-going basis as transactions occur (e.g. move-in, move-out, recertification, rent changes, etc.)..

Tenant Data Reporting for Restricted Units

A. The owner/management agent must enter the following information into WTC for each restricted unit in the project:
   1. Number of qualified low-income units;
   2. Information on each low-income tenant (every household member)
      a. tenant name
      b. social security number
      c. date of birth
      d. move-in date
      e. number of people in the household
      f. annual income
      g. rent charged for each unit
   3. Move-in date and move-out date for all tenants (including market rate tenants); and
   4. HUD's required demographic data; and
   5. Such other information as is set forth in the system and required by LHC

Tenant Data Reporting for Restricted Units

For market rate units (unrestricted), the move-in date and move-out dates for all tenants is required and the remainder of above information is requested but is not mandatory. This information is helpful because it is used by LHC for market analysis and statistical reporting.

Failure to submit accurate and/or complete tenant data in a timely manner will result in a finding of noncompliance.

14. Technical Assistance

Contractor shall provide LHC with the following technical assistance:

A. Assist in development or update of forms, including forms to be utilized by Owners, Contractor or LHC, with the exception of IRS and HUD forms;
B. Assist in updating LHC procedures for compliance monitoring;
C. Provide guidance to LHC, including (a) answering questions which may involve researching and analyzing complex compliance issues and (b) providing comments and recommendations on new or revised policies, rules or procedures as they relate to program compliance;
D. Conduct an annual orientation on compliance monitoring for LHC, Owners, Managing Agents, and developers of rental housing projects funded by LHC. The orientation workshop shall be held in Baton Rouge <u>at no cost to attendees</u>. The orientation workshop should, at minimum, provide information on reporting requirements, compliance monitoring process, responsibilities of the Owners and Managing Agents, and the role of Contractor and LHC;
E. Assist with maintaining a Compliance Monitoring site on the LHC website which includes compliance monitoring forms and tools such as memos/notices, compliance manuals, QAP, forms and instructions, income limits, rent limits, instructions on submitting tenant data, and any other relevant information.

D. Determination of Responsibility

Determination of the Proposer's responsibility will be made by LHC based on information submitted in the proposal and/or otherwise available to LHC. The Corporation must find that the selected Proposer:

1. Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
2. Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;
3. Is able to comply with the proposed or required time of delivery or performance schedule;
4. Has a satisfactory record of integrity, judgment, and performance; and,
5. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure that their Proposals contain sufficient information for the Corporation to make its determination by presenting acceptable evidence of the above to perform the contracted services.

IV. Proposal Content

Proposals should be prepared providing a straightforward and concise description of the Proposer's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.

Proposals should be submitted in letter-size (8½" by 11") format with a type font of Times New Roman or similar and a minimum font size of 12 points. Proposals should be bound and indexed according to the format and order of presentation described below.

A. Cover Page

The following information should be included under the title "Request for Proposals for Program Management of the Disaster recovery housing Programs":

1. Name of Proposer
2. Proposer address
3. Proposer telephone number
4. Proposer federal tax identification number
5. Name, title, address, telephone number, fax number and e-mail address of contact person authorized to contractually obligate the Proposer on behalf of the Proposer.
6. The cover letter should be submitted on the Proposer's official business letterhead explaining the intent of the Proposer.
7. A brief statement of the Proposers understanding of the scope of the work to be performed
8. A confirmation that the Proposer has not had a record of substandard work within the last five years
9. A confirmation that the Proposer has not engaged in any unethical practices within the last five years and is free of ethics conflicts regarding the services to be performed in the contract
10. A confirmation that, if awarded the contract, the Proposer acknowledges its complete responsibility for the entire contract
11. Any other information that the Proposer deems appropriate
12. The signature of an individual who is authorized to make proposals of this nature in the name of the Proposer submitting the proposal.

B. Contents of Proposal

Interested Proposers are invited to submit proposals that contain the following information. Proposers should letter and number responses exactly as the contents presented below:

1. Abstract. Provide a profile of the firm and describe why it is pursuing the work.
2. Qualifications and Experience. Description of how the firm is qualified to provide the services requested with a history of experience of providing similar services. Names and appropriate background information on staff resources with identification of principals and key personnel, including:
    a. The experience, expertise, and certification[4] of staff;
    b. The local availability of staff is an important consideration;
    c. The role and responsibilities that each staff member will have
    d. Number of years property management, compliance monitoring, or inspection performance experience relative to projects funded with LIHTC or HOME funds.
    e. The knowledge of compliance monitoring needs in a housing finance agency environment; and
    f. Description of previous and current compliance monitoring contracts that demonstrate Proposer's qualification and experience.
3. References. Name, title, address and telephone number of at least three (3) references for clients, for whom similar services have been provided, including information that references the actual services performed, number of users and length of tenure.
4. Work Plans.
    a. Describe the philosophy and overall approach to compliance monitoring;
    b. Describe the overall strategy and timeline to deliver services, as well as expected results and possible shortfalls;
    c. Describe how the projects will be monitored;
    d. Describe the quality control steps that will ensure that all Contract requirements are satisfactorily met;
    e. Describe which industry standards and tools will be used to execute the project; and
    f. Provide sample projects and/or examples of compliance monitoring plans.
5. Explanation of any contract termination for default or other incident in the past five years. Termination for default is defined as notice to stop services for non-performance or poor performance. If default occurred, list name, address, and telephone number of the party. If no such termination occurred for default, declare it. The LHC will evaluate the facts and may, at its sole discretion, reject the proposal. The Proposer shall provide a statement of the proposer's involvement in an investigation, litigation and/or any suspension or debarment proceedings that could affect this work. A suspension or debarment proceeding which could affect this work is any proceeding, whether pending or concluded, that involves a governmental entity. If no such investigation, litigation, suspension or debarment exists, proposer shall so state.
6. Scope of Work beyond the RFP that the firm provides which may be of interest to the LHC.

[4] Any inspectors should be HUD UPCS certified. If they are inspecting LIHTC properties, they should have appropriate Tax Credit Specialist certification from an accredited source.

7. The Proposer shall provide their approach and methodology in providing the required services and identifying the tasks necessary to meet requirements described within Section III, Scope of Work. The proposal should describe the Proposer's:
    a. Understanding of the nature of the Scope of Work and how its Proposal will best meet the needs of the Program;
    b. Approach for managing compliance functions to provide greater efficiency and effectiveness and optimize the use of personnel and other resources; and
    c. Proposed Project Work Plan that reflects the approach and methodology, tasks and services to be performed, deliverables, and staffing.

C. Contents of Cost Proposal

The cost of services is one of the factors that will be considered in making an award.

The LHC will NOT reimburse any expenses related to Contractor's transportation under the Contract (e.g. mileage, parking, etc.) for travel to LHC's offices. Approved in-state field travel on behalf of the LHC shall be paid in accordance with the actual billable rate in the contract and in accordance with PPM 49, State Travel Regulations. PPM can also be found at: https://wwwprd.doa.louisiana.gov/osp/travel/travelpolicy.htm. No other travel expenses will be reimbursed under the contract.

Cost Proposal

Labor Costs (20 points)

List the billable rate for each key personnel member and provide a total amount. Contract personnel will be paid the billable rate while performing approved in-state field travel on behalf of the Corporation under this contract.

The lowest cost proposal, based on the total cost proposal amount will automatically receive the maximum number of points for this category and every other proposal will be scored in relation to the lowest cost proposal as follows:

$$\text{Offeror Points} = \frac{\text{(Lowest Cost Proposal x Maximum Points)}}{\text{Offeror Cost proposal}}$$

V. Evaluation

A. Evaluation of Proposals

All proposals will be reviewed to determine if they have met the requirements of this RFP. Those that meet the requirements will be deemed "responsive", and will be evaluated by the review committee. Those responses that do not meet the requirements of the RFP will be deemed "non-responsive" and will be rejected.

The Corporation reserves the right to consider a proposal as "non-responsive" if the proposal does not meet mandatory requirements. The Corporation also reserves the right to negotiate with Proposers to this RFP, if necessary, to refine or expand the statement of work, fee arrangements, or any other aspect of the services to be provided.

LHC reserves the right to select more than one Proposer, to select Proposer(s) for specific purposes or for any combination of specific purposes, and to defer the selection of any Proposer(s) to a time of the Corporation's choosing.

B. Evaluation Criteria

Proposals that pass the preliminary screening and mandatory requirements review and are deemed "responsive" as set forth in paragraph A, above, will be evaluated based on information provided in the proposal. The LHC may invite one or more finalists to make presentations. The Evaluation Team will review all proposals and make a determination based on the following factors:

1. Work Plan - An overview of the Proposer's plan to provide program management services for programs funded using CDBG.
2. Quality and Depth of Experience - Projects implemented and track record and number and size of organizations served. Proposer's qualifications, including specific experience with Housing Finance Agencies, financial institutions, (such as investment banks, ratings agencies, government sponsored enterprises, mortgage bankers and real estate developers) governmental agencies and not-for-profit entities.
3. Qualifications and experience of key personnel of Proposer who will be responsible for overseeing and performing the work.
4. Cost of requested services based on the cost proposal provided.
5. A list of three client references.
6. Any guarantees offered by the proposer.
7. A statement attesting that all information provided in the proposal to the LHC is true and accurate to the best of your knowledge.

The LHC will negotiate a fee schedule with the chosen contractor(s) based upon both the prices submitted in response to the RFP and the Corporation's own price analysis.

Proposers are encouraged to identify and clearly label in their proposal how each qualification is being fully addressed. Evaluation of responses to this RFP will be based only on the information provided in the proposal, and if applicable, interviews and reference responses. LHC serves the right to request additional information or documentation from the firm regarding its proposal, personnel, financial viability, or other items in order to complete the selection process. If a Proposer chooses to provide additional materials in their proposal beyond those requested, those materials should be identified as such and included in a separate section of the proposal.

The following Evaluation Criteria with a point system of relative importance with an aggregate total of **one hundred (100)** points will be utilized to evaluate the qualifications of each proposer.

EVALUATION CRITERIA	MAXIMUM SCORE
Organization and Staffing	20
Experience and Expertise	20
Approach to Compliance Monitoring	30
Client Service and Satisfaction	10
Pricing	20
TOTAL SCORE	**100**

C. Oral Presentations

If the Evaluation Team extends invitations for oral presentations, the Proposers selected for final evaluation will be expected to accept the invitation and make oral presentation to the Evaluation Team at the Corporation. Proposers may be asked to provide clarification on corporate background and experience; proposed staff's experience; staffing; pending investigations and lawsuits. Proposers are reminded that any oral commitments or representations made during these presentations that extend beyond the written representations in the proposal document may be formally recorded in the contract.

D. Final Scoring

If oral presentations are conducted, those presentations will be graded by the Evaluation Team separate from the previously submitted written proposals on the basis of information obtained from the Proposers' oral presentations and references with a maximum point value of 50 points being awarded. The final score will be the sum of the score received from both the written submission packet and the oral presentation, if any.

The written invitation will not obligate the corporation to a commitment to enter into a contract.

E. Final Selection

Upon approval by the Board of Directors, a formal announcement of the selected firm will be made, and all proposers will be notified. Contract negotiations should begin by the date listed in Section I (C). The successful firm will be expected to sign the contract, which will contain similar terms and requirements as those set forth in Section VI, below. Firms should thoroughly review Section VI prior to submission of proposal response.

VI. Contract Requirements

A. Contract Award, Negotiations and Execution

Contracts will be awarded to the Proposers whose proposal accumulates the highest score as outlined in Section III. *Scope of Work*. The formal announcement of the selected proposer will occur on or about the date indicated in Section I(C)*, Important Dates and Deadlines*. The Corporation reserves the right to request additional information and/or to negotiate certain clarifications with the prospective vendor selected through this RFP. The Corporation also reserves the right to contract for all or a partial list of services offered in the response as well as to negotiate fees and terms of the contract. The successful Proposer will be expected to enter into a contract with the LHC, which will contain substantially similar terms and requirements as those set forth in this Section. In no event is a vendor to submit its own standard contract terms and conditions as a response to this RFP.

If the contract negotiation period exceeds ten (10) business days or if the selected Proposer fails to sign the final contract within five (5) business days of delivery, the LHC may elect to cancel the award and award the contract to the next highest ranked proposer.

If, for any reason, the Proposer most responsive to the Corporation's needs, price and other evaluation factors set forth in the RFP considered, does not agree to a contract, that proposal shall be rejected, and the Corporation may negotiate with the next most responsive Proposer. Negotiation may include revision of non-mandatory terms, conditions, and requirements

B. Term of Contract

The initial term of the contract shall be for a period of time not to exceed three (3) years from the effective date of the contract, and may be renewed at the discretion of the Corporation and concurrence of the contractor for a maximum of two one year terms. All responses should reflect services in anticipation of a three year contract term.

C. Insurance Requirements

During the term of the contract, the Contractor shall at its own cost and expense, procure and maintain the types of insurance listed below. The Proposer's inability or unwillingness to meet these requirements as a condition of the award, may, at the sole discretion of the Corporation, be rejected.

The selected Proposer shall procure and maintain, as applicable, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work hereunder by the Contractor, its agents, representatives,

employees and/or subcontractors. General liability insurance shall name the Corporation/State of Louisiana as an additional insured, and evidence of this shall be provided to the Corporation upon initiation of a contract. The Contractor shall include all subcontractors, if any, as insured parties under its policies or shall furnish separate certificates of insurance for each subcontractor. The Contractor must furnish proof to the Corporation of the continuing effectiveness of such insurance for the term of any ensuing contract with the Corporation. The Contractor shall maintain limits no less than:

1. *Commercial General Liability:* One million dollars ($1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage. The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the Corporation, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either of them, or in such a manner as to impose liability to the Corporation. Such insurance shall name the Corporation as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors.

2. *Automobile Liability*: One million dollars ($1,000,000) combined single limit per accident, for bodily injury and property damage for the life of the contract. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

3. *Workers Compensation and Employers Liability:* Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute. Workers Compensation limits as required by the Labor Code of the State of Louisiana and Employers' Liability coverage. Liability insurance and worker's compensation insurance must be in amounts and of a scope reasonably satisfactory to the Corporation. The insurer shall agree to waive all rights of subrogation against the Corporation, its officers, officials, and employees for losses arising from work performed by the Contractor for the Corporation.

4. *Errors and Omissions Insurance:* Contractor shall procure and maintain insurance against the misfeasance, malfeasance, or nonfeasance (errors and omissions) of the Contractor relating to the management of the Property with limits not less than one million dollars ($1,000,000) per occurrence and a discovery period of not less than eighteen (18) months with a deductible of not less than ten thousand dollars ($10,000) per claim.

5. *Blanket Crime Insurance:* which includes Employee Dishonesty coverage, naming the Corporation as "Loss Payee"; The Contractor or any Subcontractor involved in the handling of the Corporation or HUD funds shall be required to maintain Commercial Crime Insurance in the amount of not less than Two Million Dollars ($2,000,000). Such insurance shall provide coverage for claims due to employee dishonesty forgery or alteration, theft, disappearance and destruction, computer fraud, burglary and robbery. Such insurance shall include the Corporation as a joint loss payee as its interests may appear. Evidence of insurance shall be in the form of a standard ACORD form certificate of insurance. Upon request, the Corporation reserves the right to obtain a certified copy of the applicable insurance and

6. *Fidelity Bond:* within limits not less than one hundred fifty thousand dollars ($250,000) per occurrence (for those employees handling rents, receipts, petty cash, invoices, bills and other monetary transactions and documentation).

7. *Insurance Covering Special Hazard:* Special hazards as determined by the Corporation shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the Contract included therewith.

8. *Professional Liability Insurance:* Consultant shall maintain during the life of the Contract such Professional Liability Insurance which shall protect it, the LHC, and any Subcontractor during the performance of work covered by the Contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from the professional services provided by Contractor or its Subcontractor pursuant to this Agreement. In the absence of specified regulations, the amount of coverage shall be as follows: Professional Liability Insurance: Combined single limits of no less than $1,000,000.

D. Billing and Payment

The Contractor will submit monthly itemized invoices with the required DUNS number clearly shown on pay request. Such itemized invoices must contain, at a minimum, the following information: identification of the individual(s) providing the service; brief description of the service provided and the date on which it was done. Under normal circumstances, the LHC should remit payment to the Contractor within thirty (30) days of approval of invoices. The LHC makes every effort to pay all valid or

undisputed invoices in a timely manner. There may be times when invoices are disputed or clarification of charges is needed before payment can be made.

1. ***Payment for services provided on Hourly Fee Basis.*** Payment for services performed on an hourly fee basis will be made on the basis of invoices submitted to the Corporation documenting hours expended multiplied by the applicable hourly rate. All invoices will be supported by documentation including, but not limited to, the name of the person, labor category, hours worked, bill rate, timesheets and such other information as determined by the PM.

   This hourly rate shall be fully burdened and include all travel and project expenses with the exception noted below. Contractor staff will be paid the hourly rate while doing field travel on behalf of the corporation under this contract.

   Travel Exception: Travel expenses directly related to field travel on behalf of LHC will be paid in accordance with PPM 49, State Travel Regulations. No other travel expenses will be reimbursed under the contract. No other direct costs shall be reimbursed.

2. ***Retainage.*** All payments are subject to a five percent (5%) retainage. The retained amounts will be administratively reserved, but not paid out to an escrow or other interest bearing account. Payment of accumulated retainage for each task order will be contingent upon the completion and acceptance of all deliverables for that task order. The release of amounts retained will be made upon approval of the Project Administrator (PM). The corporation will make every effort to release the retainage amount within thirty (30) calendar days following acceptance of each task order associated with the resulting contract.

E. Non-Negotiable Contract Terms

Non-negotiable contract terms shall include, but not be limited to taxes, assignment of contract, audit of records, EEOC and ADA compliance, record retention, content of contract/order of precedence, contract changes, governing law, claims or controversies, termination based on contingency of appropriation of funds, and signed Statement of Assurances (see Attachment A).

F. Prohibited Activity

Contractors are prohibited from using funds provided herein or personnel employed in the administration of this program for political activities, inherently religious activities, lobbying, political patronage, and/or nepotism. The Contractor will comply with the prohibitions from using funds provided herein or personnel employed in the administration of the program for political activities, inherently religious activities, lobbying, political patronage, and/or nepotism.

G. Warranties and Representations

The Contractor warrants and represents that the following are true and shall remain true throughout the term of the Contract:

1. All information contained in its response to the RFP remains current and correct, including all information regarding its credit standing, financial status, resources, insurance, and personnel;
2. It is in good standing as a corporation in the state of its incorporation, and it is qualified to do business in Louisiana, and will take all such action that may be necessary from time to time to remain in good standing and so qualified;
3. It is not in arrears with respect to the payment of any monies due and owing the Corporation or any department of the State or unit thereof, or any local governmental entity within the State, including but not limited to the payment of taxes and employee benefits, and that it shall take such action as from time to time may be necessary to ensure the continuous and current status of all monetary obligations it may owe the State or any local governmental entity within the State;
4. It is in compliance with all federal, state, and local laws applicable to its activities generally, and, in particular, to its obligations under this Contract; and
5. It now possesses, or shall immediately obtain and maintain, all licenses, permits, insurance, and governmental approvals, if any, that are necessary to the performance of its obligations under this Contract, or which are required by the Corporation from time to time.

H. Assignment

The Contractor shall not assign any interest in this Contract and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the Corporation, provided however, that claims for money due or to become due to the Contractor from the Corporation may be assigned to a bank, trust company, or other financial institution without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the Corporation.

I. Indemnification

The Contractor shall indemnify the LHC Board of Directors, LHC staff and the State of Louisiana from any and all loss, liability, or expenses (including the cost of defense and attorneys' fees) in connection with any claims or actions brought against any of them that arose directly or indirectly from actions, omissions, or obligations of the Contractor in connection with this Contract. The Contractor shall immediately notify the Corporation of any such claim made or action filed or threatened against the Contractor, and shall cooperate, assist, and consult with the Corporation, its staff, and the State, or their counsel, in the defense and investigation of any such claim or action. Neither the Corporation nor the

State has any obligation under the terms of this Contract or any other agreement or relationship with the Corporation to provide legal counsel or defense to the Corporation in such a claim or action, nor is there any obligation to pay any judgment on, or settlement of, any such claim or action.

J. Payment of Taxes

The Contractor understands and agrees that it is responsible for paying any taxes (including Louisiana or federal income or payroll taxes), or license fees or official fees that may be due as a result of either its receipt of fees or other payments hereunder or its performance in accordance with the terms hereof under its own Federal Tax Identification Number**.**

K. Audit

The Contractor grants to the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duly authorized agent of the State, where appropriate, the right to inspect and review all books and records pertaining to services rendered under this Contract for a period of five (5) years from the date of the last payment made under this Contract. The Contractor shall comply with federal and/or state laws authorizing an audit of the Contractor's operation as a whole, or of specific program activities. Records shall be made available during normal working hours for this purpose.

L. Non-Discrimination in Employment

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contractor further agrees not to discriminate in its employment practices, and shall render services under this Contract without regard to race, color, religion, sex, sexual orientation, national origin, political affiliation or disabilities. Any act of discrimination committed by the Contractor, or failure to comply with these statutory obligations when applicable, shall be grounds for contract termination.

M. Contingent Fee Prohibitions

The Contractor warrants that it has not employed or retained any person, partnership, corporation or other entity, other than a bona fide employee or agent working for it directly, to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee or agent, any fee or other consideration contingent on the making of this Contract. For breach or violation of this warranty, the Corporation shall have the right to annul this Contract without liability for any work performed hereunder and with the right to recover any fees or

expenses paid hereunder, or, in its discretion, to deduct from the consideration otherwise payable to the Contractor the full amount of such fee or other consideration paid for such solicitation or lobbying effort.

N. Governing Law

The laws of the State of Louisiana shall govern the terms of the contract and disputes arising therefore shall be resolved in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

O. Cooperation

Any Proposer has the duty to fully cooperate with the Corporation and provide any and all requested information, documentation, etc. to the Corporation when requested. This applies even if an eventual contract is terminated and/or a lawsuit is filed. Specifically, the proposer does not have the right to limit or impede the Corporation's right to audit and shall not withhold the Corporation owned documents.

P. Proposer Responsibilities

The Corporation requires a single Contractor as the result of any Contract negotiation, and that Contractor is responsible for all deliverables referenced in the RFP and proposal as well as the acts and liabilities created by personnel or subcontractors providing products or services as part of the Contractor's proposal. The Contractor shall be responsible for all products and services offered in the proposal, whether or not provided by the Contractor. The Corporation shall consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

Q. No Guarantee or Quantities

The scope and quantities referenced in the RFP are estimated to be the amount needed. The corporation does not obligate itself to contract for or to accept more than their actual requirements during the period of this contract, as determined by actual needs and availability of appropriated funds. The corporation reserves the right to increase or decrease quantities, as appropriate, at the unit price or labor rate stated in the contract.

R. Termination/Suspension for Cause

LHC may, after giving reasonable written notice specifying the effective date, terminate this Agreement in whole or in part for cause, which shall include but not be limited to:

5. Failure, for any reason, of Contractor to fulfill in a timely and proper manner the obligations under this Agreement, and such statutes, Executive Orders, and federal directives as may

become generally applicable at any time;

6. Submission by Contractor of reports to the Corporation, the State of Louisiana or HUD or either of their auditors, that are incorrect or incomplete in any material respect, provided Contractor is given notice of said failure and fails to correct the same within a reasonable amount of time; or
7. Ineffective or improper use of funds as provided for under this Agreement.

If, through any cause, Contractor shall otherwise fail to fulfill in a timely and proper manner, its obligations under this Agreement, or if Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, Corporation shall thereupon have the right to terminate this Agreement by giving written notice to Contractor of such termination and specifying the effective date thereof, at least thirty (30) days prior to the effective date of said termination.

S. Termination for Convenience

LHC may terminate the Agreement at any time by giving at least thirty (30) days prior written notice to Contractor. Contractor shall be entitled to payment on requests submitted up to the date of termination contained within the notice, to the extent that requests represent eligible activities satisfactorily completed and otherwise reimbursable under the terms of this Agreement.

T. Termination Due to Unavailable Funding

The continuation of this Agreement is contingent upon the appropriation and release of funds by the Corporation to fulfill the requirements of this Agreement. Failure of the appropriate authorities to approve and provide an adequate budget to the LHC for fulfillment of the Agreement terms shall constitute reason for termination of the Agreement by either Party. Contractor shall be paid for all authorized Services properly performed prior to termination.

U. Confidentiality

All financial, statistical, personal, technical and other data and information relating to the State's operation and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the Corporation's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the Corporation in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the Corporation to be adequate for the protection of the Corporation's confidential information, such methods and procedures may be used, with the written consent of the Corporation, to carry out the intent of this paragraph.

The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the Contract, or is rightfully obtained from third parties.

All of the reports, information, data, et cetera, prepared or assembled by Contractor under this Contract are confidential and Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the Corporation. This does not extend to information that was obtained from the public domain such as public agencies or sources of information available to the general public. Under no circumstance shall the Contractor discuss and/or release information concerning any project and/or program without prior express written approval of Corporation.

V. Confidential Information of Applicants

All information (including, but not limited to, an applicant's photograph, photographic likeness, and thumb scan image) acquired by the Contractor or its Subcontractors, from whatever source, relating to individual applicant's application and related processing for any grant, or other program administered under this Contract ("Confidential Applicant Data") shall be deemed confidential and protected from access, disclosure or use other than in compliance with this Contract. Confidential Applicant Data is included within the term Confidential Information and shall be entitled to all protections provided Confidential Information, as well as all other increased protections provided herein.

Summaries of applicant information compiled in an aggregate fashion which cannot be used to identify an individual may be reported as directed by the Corporation by the Contractor in its performance of this Contract.

Other than as directed in writing by the Corporation, only the Contractor's employees and Subcontractors' employees with a defined need to know shall be granted access to Confidential Applicant Data and only after they have been informed of the confidential nature of the Confidential Applicant Data. The level of access of such individuals shall be dictated by the level of their defined need to know.

W. Third Party Requests for Release of Information

Should third parties request the Contractor to submit Confidential Information to them pursuant to a public records request, subpoena, summons, search warrant or governmental order, the Contractor will notify the Corporation immediately upon receipt of such request. Notice shall be forwarded via e-mail and via facsimile to the representative designated in writing by the Corporation as the Corporation contact for requests for release of information. Protocols for the handling of such requests are subject to the Corporation public records request policy. The Contractor shall cooperate with the Corporation with respect to defending against any such requested release of information or obtaining any necessary judicial protection against such release if, in the opinion of Corporation, the information contains Confidential Information which should be protected against such disclosure. The legal fees and related

expenses incurred by the Contractor or its Subcontractor in resisting the release of information under this provision shall constitute reimbursable expenses under this Contract.

Legal service fees of law firms associated with this Section may not be "marked up" by the Contractor as it is against the law for a non-law firm to share in legal fees.

No copies or reproductions shall be made of any Confidential Information except to effectuate the purposes of this Contract or upon the prior approval of the Corporation. The Contractor and Subcontractors shall not make use of any Confidential Information for their own benefit or for the benefit of any third party, except as directed by the Corporation in writing.

In accordance with the Contract, as between the Contractor and the Corporation, all Confidential Information is deemed to be the property of the Corporation.

Upon termination of expiration of the Contract, all databases and other storage media containing Confidential Applicant Data shall be delivered to the Corporation, who shall retain such information for the periods of time then required in accordance with any applicable State and federal statutes and regulations controlling such record retention. The Contractor and Subcontractors shall not keep any copies of the Confidential Applicant Data in any medium format; upon delivery of the Confidential Applicant Data to the Corporation under this provision, the Contractor and applicable Subcontractors shall certify under penalty of perjury that no copies of the Confidential Applicant Data have been retained. Any exceptions to this provision must be approved in writing by SPD, and shall set forth the scope of the data required to be retained, the reasons justifying such retention, and the terms and conditions of such retention.

X. Fund Use

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

Contractor and all Subcontractors shall certify that they have complied with the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) and that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Contractor and each Subcontractor shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

Y. Compliance With Civil Rights Laws

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Title VIII of the Civil Rights Act of 1970, Title VIII of the Civil Rights Act of 1968, relating nondiscrimination in the sale, rental or financing of housing, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act of 1970 (P.L. 91-616), relating to the nondiscrimination on the basis of alcohol abuse or alcoholism, and any other nondiscrimination provisions under which application for Federal assistance is made.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

Z. Section 109 of the Housing And Community Development Act Of 1974

No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under Section 109 of Title I of the Housing and Community Development Act of 1974. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

AA. General Compliance

The Contractor will comply with all applicable Federal, State, and local laws and Codes, and all applicable Office of Management and Budget Circulars http://www.whitehouse.gov/omb/circulars/.

BB. Financial Management

Contractor shall agree to comply with 48 CFR § 31 and 2 CFR § 200 and shall agree to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis. Indirect costs may not be charged under this Contract.

CC. Documentation and Record Keeping

Contractor shall maintain all records required by the Federal regulations specified in 44 CFR §13.42, 24 CFR §570.506, 24 CFR §570.402, 2 CFR §200 that are pertinent to the activities to be funded as proposed.

Contractor shall retain all financial records, supporting documents, statistical records, and all other pertinent records for a period of five (5) years after final contract payment. The Contractor is responsible for having all Subcontractors retain all financial records, supporting documents, statistical records, and all other pertinent records for a period of five (5) years after final contract payment.

DD. Hatch Act

Contractor shall comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

EE. Conflict of Interest

In accordance with the conflict of interest provisions and other related regulations contained in 44 CFR§ 13.36, 24 CFR §570.611, 24 CFR §84.42, and 24 CFR §570.603, the Contractor shall warrant that based on reasonable inquiries and due diligence to the best of its knowledge no member, officer, or employee of Contractor, or agents, consultant, member of the governing body of Contractor or the locality in which the program is situated, or other public official who exercises or has exercised any functions or responsibilities with respect to this Agreement during his or her tenure, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Agreement or in any activity or benefit, which is part of this Agreement.

However, upon written request of Contractor, the Corporation may agree in writing to grant an exception for a conflict otherwise prohibited by this provision whenever there has been full public disclosure of the conflict of interest, and the Corporation determines that undue hardship will result either to Contractor or the person affected by applying the prohibition and that the granting of a waiver is in the public interest. No such request for exception shall be made by Contractor which would, in any way, permit a violation of Corporation or local law or any statutory or regulatory provision.

FF. Labor Standards

For the CDBG Programs: Contractor shall agree to comply with the requirements of 29 CFR Part 5 and CFR Part 30 and shall be in conformity with Executive Order 11246, entitled “Equal Employment Opportunity; Copeland “Anti-Kickback” Act (29 CFR Part 3), the Davis-Bacon and Related Acts (29 CFR Parts 1, 3 and 5), the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq.), 24 CFR 570.603, and all other applicable Federal, State and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract.

GG. Environmental conditions

For CDBG Programs: Contractor shall comply, insofar as they apply to the performance of this agreement, with all applicable environmental standards, orders or regulations issued pursuant to HUD Environmental Review Procedures, 24 CFR Part 58 (for CDBG Programs). Contractor shall also comply with the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.) Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15), HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B; and the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470). In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), Sub-recipient shall assure that for activities located in an area identified by the Federal Emergency Management (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition and construction purposes.

HH. Historic Preservation

Contractor shall assist the Corporation in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), E.O. 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

II. Uniform Relocation Act

Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federal-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

JJ. Close-outs

Contractor shall agree to comply with the requirements of 24 CFR §570.509 (CDBG) for project closure. Contractor's obligation to Corporation shall not end until all close out requirements are complete. These may include but are not limited to:

1. Final performance or progress report
2. Financial Status Report (SF 269) or Outlay Report and Request for Reimbursement for Construction Programs (SF 271) (as applicable)
3. Final request for payment (SF 270) (if applicable)
4. Invention disclosure (if applicable)
5. Federally-owned property report
6. Disposing of program assets

KK. Section 3 Compliance in Employment and Training

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the Subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any Subcontractor where the Contractor has notice or knowledge that the Subcontractor has been found in violation of the regulations in 24 CFR part 135.

The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.

Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section

7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

LL. Drug-Free Workplace Requirement

Contractor and Subcontractors will certify that they have provided a g-free workplace in compliance with The Drug-Free Workplace Act of 1988 (42 U.S.C. 701) and with HUD's rules at 24 CFR part 24, subpart F.

MM. Ownership of Documents

All records, reports, documents, or other material or data, including electronic data, related to this Contract and/or obtained or prepared by Contractor, and all repositories and databases compiled or used, regardless of the source of information included therein, kin connection with performance of the Services Contracted for herein shall become the property of the Corporation, and shall, upon request, be returned by Contractor to the Corporation at termination or expiration of this Contract. Cost incurred by Contractor to compile and transfer information for return to the Corporation shall be billed on a time and materials basis, is subject to the maximum amount of this Contract. Software and other materials owned by Contractor prior to the date of this Contract and not related to this Contract shall be and remain the property of Contractor. The Corporation will provide specific project information to Contractor necessary to complete Services described herein.

All records, reports, documents and other material delivered or transmitted to Contractor by the Corporation shall remain the property of the Corporation and shall be returned by Contractor to the Corporation, upon request, at termination, expiration or suspension of this Contract.

Contractor has the duty to fully cooperate with the Corporation and provide any and all requested information, documentation, etc. to the Corporation when requested. This applies even if an eventual contract is terminated and/or a lawsuit is filed. Specifically, the Contractor does not have the right to limit or impede the Corporation's right to audit or to withhold Corporation owed documents.

NN. Delay or Omission

No delay or omission in the exercise or enforcement of any right or remedy accruing to a Party under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

OO. Eligibility Status

Contractor, and each tier of Subcontractors, shall certify that it is not on the List of Parties Excluded from Federal Procurement or Non-procurement Programs promulgated in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24 and 44 CFR part 17.

PP. Legal Authority

Contractor assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, giving the Contractor legal authority to enter into this Agreement, receive funds, authorized by this Agreement and to perform the services the Contractor is obligated to perform under this Agreement.

QQ. Covenant Against Contingent Fees

Contractor shall warrant that no person or other organization has been employed or retained to solicit or secure this Agreement upon contract or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warrant, the Corporation shall have the right to annul this Contract without liability or, in its discretion, to deduct from the Contract or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee, or to seek such other remedies as legally may be available.

RR. Code of Ethics

The Contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the Performance of services called for in this contract. The Contractor agrees to immediately notify the Corporation if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

SS. Severability

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Contract are declared severable.

TT. Entire Agreement

This contract, together with the RFP and addenda issued thereto by the Corporation, the proposal submitted by the Contractor in response to the Corporation's RFP, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter.

UU. Order of Precedence

This contract shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the Proposal.

VV. Notices

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand-delivered or mailed, postage prepaid by first-class mail, registered or certified, return receipt requested, or delivered by private, commercial carrier, express mail, such as Federal Express, or sent by, telecopy or other similar form of rapid transmission confirmed by written confirmation mailed (postage prepaid by first-class mail, registered or certified, return receipt requested or private, commercial carrier, express mail, such as Federal Express) at substantially the same time as such rapid transmission. All such communications shall be transmitted to the address or numbers set forth below, or such other address or numbers as may be hereafter designated by a Party in written notice to the other Party compliant with this Section.

WW. No Third Party Beneficiaries

This Contract does not create, nor is it intended to create, any third party beneficiaries or contain any stipulations pour autrui. The Corporation and the Contractor are and shall remain the only parties to this Contract and the only parties with the right to enforce any provision thereof and shall have the right, without the necessity of consent of any third party, to modify or rescind this Contract.

XX. Public Communications

Contractor shall not issue any public communications regarding the Program and Contractor's activities under this Contract without the prior consent of the Corporation.

YY. Waiver of Non-Competition Enforcement

Contractor agrees to waive enforcement of each and every contract provision it may have restraining employees of Contractor, a subcontractor under this Contract, or one or more subcontractors' employees from employment or contracting with the Corporation.

ZZ. Safety

Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages or property, either on or off the worksite, which occur as a result of its performance of the work. The safety provisions of applicable laws and building and construction

codes, in addition to specific safety and health regulations described by 29 CFR 1926, shall be observed and Contractor shall take or cause to be taken such additional safety and health measures as Contractor may determine to be reasonably necessary.

AAA. Copyright

No materials, to include but not limited to reports, maps, or documents produced as a result of this Contract, in whole or in part, shall be available to Contractor for copyright purposes. Any such material produced as a result of this Contract that might be subject to copyright shall be the property of the Corporation and all such rights shall belong to the Corporation.

BBB. Provision Required by Law Deemed Inserted

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either Party the Contract shall forthwith be amended to make such insertion or correction.

CCC. No authorship presumptions

Each of the Parties has had an opportunity to negotiate the language of this Contract in consultation with legal counsel prior to its execution. No presumption shall arise or adverse inference be drawn by virtue of authorship, and each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Contract, including but not limited to any rule of law to the effect that any provision of this Contract shall be interpreted or construed against the Party that (or whose counsel) drafted that provision. The rule of no authorship presumption set forth in this paragraph is equally applicable to any Person that becomes a Party by reason of assignment and/or assumption of this Contract and any successor to a signatory Party.

DDD. Advertising

The Contractor shall not refer to the Contract or the Contractor’s relationship with the Corporation hereunder in commercial advertising or press releases without prior approval from the Louisiana Housing Corporation.

Under no circumstances shall advertising or other communications with the media be presented in such a manner as to Corporation or imply that the Contractor or the Contractor's services are endorsed by the Corporation.

Exhibit A

STATEMENT OF ASSURANCES

This Applicant/Contractor/Subrecipient hereby assures and certifies that:

1. It possesses legal authority to apply for a Community Development Block Grant ("CDBG") and to execute the proposed CDBG program.
2. Its governing body has duly adopted, or passed as an official act, a resolution, motion, or similar action authorizing the filing of the CDBG application and directing and authorizing the person identified as the official representative of the Applicant/Contractor/Subrecipient to act in connection with the application, sign all understandings and assurances contained therein, and to provide such additional information as may be required.
3. It has facilitated citizen participation by providing adequate notices containing the information specified in the program instructions and by providing citizens an opportunity to review and submit comments on the proposed application.
4. Its chief executive officer, or other officer or representative of Applicant/Contractor/Subrecipient approved by the Corporation:

    a. Consents to assume the status of a responsible federal official under the National Environmental Policy Act of 1969 (**42 U.S.C.A. §4331, et seq.)** insofar as the provisions of such Act apply to the proposed CDBG Program; and

    b. Is authorized and consents, on behalf of the Applicant/Contractor/Subrecipient and himself, to submit to the jurisdiction of the federal courts for the purpose of enforcement of Applicant/Contractor/Subrecipient's responsibilities and his or her responsibilities as an official.

5. It will develop the CDBG program and use CDBG funds so as to give maximum feasible priority to activities that will benefit low and moderate income families, aid in the prevention or elimination of slums or blight, or meet other community development needs having a particular urgency.
6. It will comply with the following applicable federal grant management regulations, policies, guidelines, and/or requirements as they relate to the application, acceptance, and use of federal funds: 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards).
7. It will administer and enforce the labor standards requirements set forth in 24 CFR **§**570.603 and any other regulations issued to implement such requirements.
8. It will comply with the provisions of Executive Order 11988, as amended by Executive Order 12148, relating to evaluation of flood hazards, and Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution.
9. It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided to Applicant/Contractor/Subrecipient to comply with any accessibility requirements, as required by Title III of the Americans with Disabilities Act of 1990 (42 U.S.C.A. § 12101 et seq.). The Applicant/Contractor/Subrecipient will be responsible for conducting inspections to ensure compliance with these specifications by the contractor.

10. It will comply with:

    a. Title VI of the Civil Rights Acts of 1964, 42 U.S.C. **§**2000d et seq., as amended, and the regulations issued pursuant thereto (24 CFR Part 1), which provide that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant/Contractor/Subrecipient receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the Applicant/Contractor/Subrecipient, this assurance shall obligate the Applicant/Contractor/Subrecipient, or in the case of any transfer of such property, any transferee, for the period during which the property or structure is used for another purpose involving the provision of similar services or benefits.

    b. Section 104 (b) (2) of Title VIII of the Civil Rights Act of 1968 (**42 U.S.C.A. §3601, et seq.**), as amended, which requires administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing. Title VIII further prohibits discrimination against any person in the sale or rental of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap or familial status.

    c. Section 109 of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. **§**5309), and the regulations issued pursuant thereto (24 CFR Part **§**570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under that Part. Section 109 further prohibits discrimination to an otherwise qualified individual with a handicap, as provided under Section 504 of the Rehabilitation Act of 1973, as amended, and prohibits discrimination based on age as provided under the Age Discrimination Act of 1975. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR part 6.

    d. Executive Order 11063, as amended by Executive Order 12259, and the regulations issued pursuant thereto, which pertains to equal opportunity in housing and non-discrimination in the sale or rental of housing built with federal assistance.

    e. Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto, which provide that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Further, contractors and subcontractors on federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training and apprenticeship.

    f. Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual shall, solely, by reason of his or her handicap be excluded

from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance.

11. The work to be performed by Contractor is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

Contractor agrees to comply with HUD's regulations in 24 CFR part 135, which implement section 3. Contractor also certifies that they are under no contractual or other impediment that would prevent it from complying with the part 135 regulations.

Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

Contractor agrees to include this section 3 clause in every subrecipient agreement and contract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of such contract or in this section 3 clause, upon a finding that the subrecipient or contractor is in violation of the regulations in 24 CFR part 135. Contractor will not contract with any subrecipient or contractor where the Contractor has notice or knowledge that the subrecipient or contractor has been found in violation of the regulations in 24 CFR part 135.

The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.

Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are

subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

12. It will minimize displacement of persons as a result of activities assisted with CDBG funds. In addition, it will:

    a. Comply with Title II (Uniform Relocation Assistance) and Sections 301-304 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Chapter 61), and HUD implementing instructions at 24 CFR Part 42 and 24 CFR **§**570.606; and

    b. Inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42; and

    c. Provide relocation payments and offer relocation assistance as described in Section 205 of the Uniform Relocation Assistance Act to all persons displaced as a result of acquisition of real property for an activity assisted under the CDBG Program. Such payments and assistance shall be provided in a fair, consistent and equitable manner that ensures that the relocation process does not result in different or separate treatment of such persons on account of race, color, religion, national origin, sex or source of income; and

    d. Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, or source of income; and

    e. Assure that if displacement is precipitated by CDBG funded activities that require the acquisition (either in whole or in part) of real property, all appropriate benefits required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq., Pub. L. 91-646) and amendments thereto shall be provided to the displaced person(s). Persons displaced by rehabilitation of "Non-Uniform Act" acquisition financed (in whole or in part) with CDBG funds shall be provided relocation assistance in accordance with one of the following: (1) the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as required under 24 CFR Section 570.606 (a) and HUD implementing regulations at 24 CFR Part 42; (2) the requirements in 24 CFR Section 570.606 (b) governing the Residential Antidisplacement and Relocation Assistance Plan under Section 104 (d) of the Housing and Community Development Act of 1974; (3) the relocation requirements of Section 104 (k) of the Act; (4) the relocation requirements of 24 CFR Section 570.606 (d) governing optional relocation assistance under Section 105 (a) (11) of the Act; and (5) the provisions of 24 CFR Part 511.10 (h) (2) (iii) rental Rehabilitation Program.

13. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties, in accordance with CDBG regulations.

14. It will comply with the provisions of the Hatch Act that limit the political activity of employees and the HUD regulations governing political activity at 24 CFR **§**570.207.

15. It will give the State of Louisiana, Louisiana Housing Corporation and HUD, and any of their representatives or agents, access to and the right to examine all records, books, papers, or documents related to the grant.

16. It will ensure that the facilities under Applicant/Contractor/Subrecipient's ownership, lease or supervision utilized in the accomplishment of the CDBG Program are not listed on the Environmental Protection Agency's (EPA) list of violating facilities and that it will notify HUD of the receipt of any communication from the EPA Office of Federal Activities indicating that a facility to be used in the CDBG Program is being considered for listing by the EPA as a violating facility.

17. With regard to environmental impact, it will comply with the National Environmental Policy Act of 1969 (42 U.S.C. **§**4321-4347), and Section 104(f) of the Housing and Community Development Act of 1974 (42 U.S.C. **§**5304(d)).

18. It will comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.), as amended, Executive Order 11593, and the Preservation of Archaeological and Historical Data Act of 1966 (16 U.S.C. **§**469a-1 et. seq.), as amended, by:

    a. Consulting with the State Historic Preservation Office to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800) by the proposed activity; and

    b. Complying with all requirements established by the Corporation to avoid or mitigate adverse effects upon such properties.

19. It will comply with the provisions in 24 CFR **§**570.200(c) regarding special assessments to recover capital costs.

20. It will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in non-violent Civil Rights demonstrations and will enforce applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

21. It certifies that no federally appropriated funds will be used for any lobbying purposes regardless of the level of government.

22. It will abide by and enforce the conflict of interest requirement set forth in 24 CFR **§**570.489(h).

23. It will comply with HUD rules prohibiting the use of CDBG funds for inherently religious activities, as set forth in 24 CFR **§**570.200(j).

24. Activities involving new building construction, alterations, or rehabilitation will comply with the Louisiana State Building Code.

25. In relation to labor standards, it will comply with:

a. Section 110 of the Housing and Community Development Act of 1974, as amended and as set forth in 24 CFR **§**570.603.

b. Davis-Bacon Act, as amended (40 U.S.C. **§**3141 et seq.).

c. Contract Work Hours and Safety Standards Act (40 U.S.C. **§**327 et seq.).

d. Federal Fair Labor Standards Act (29 U.S.C. **§**201 et seq.)

26. It will comply with the flood insurance purchase requirement of Section 102(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. **§**4001 et seq., which requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of HUD as an area having special flood hazards. The phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect federal funding. It will comply with 42 USC **§** 4012a, which requires that if the federal financial assistance is provided in the form of a loan or an insurance or guaranty of a loan, the amount of flood insurance required need not exceed the outstanding principal balance of the loan and need not be required beyond the term of the loan. If the federal financial assistance is in the form of a grant, the requirement of maintaining flood insurance on any dwelling on any part of the property in an amount equal to the lesser of 1) the value of the property less land costs or 2) the maximum amount of flood insurance available under the National Flood Insurance Program to the extent coverage can be obtained under the National Flood Insurance Program, shall apply during the life of the property, regardless of transfer of ownership of such property.

27. It will comply with the Farmland Protection Policy Act, 7 U.S.C.A. §4201 et seq., which requires recipients of federal assistance to minimize the extent to which their projects contribute to the unnecessary and irreversible commitment of farmland to nonagricultural uses.

28. It will comply with Sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992 (Public Law 102–550, as amended). The regulation appears within Title 24 of the Code of Federal Regulations as part 35 (codified in 24 CFR 35). The purpose of this regulation is to protect young children from lead-based paint hazards in housing that is financially assisted by the Federal government or sold by the government. This regulation applies only to structures built prior to 1978.

29. It will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. **§**6901, et seq.).

30. It will comply with the Clean Air Act (42 U.S.C. **§**7401, et seq.), which prohibits engaging in, supporting in any way, or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards.

31. In relation to water quality, it will comply with:

    a. The Safe Drinking Water Act of 1974 (42 U.S.C. **§§** 201, 300(f) et seq. and U.S.C. **§**349), as amended, particularly Section 1424(e) (42 U.S.C. **§§** 300h-303(e)), which is intended to protect underground sources of water. No commitment for federal financial

assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal draining water source for an area; and

b. The Federal Water Pollution Control Act of 1972, as amended, including the Clear Water Act of 1977, Public Law 92-212 (33 U.S.C. **§**1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

32. It will comply with HUD Environmental Standards (24 CFR, Part 51 and 44 F.R. 40860-40866).

33. With regard to wildlife, it will comply with:

a. The Endangered Species Act of 1973, as amended (16 U.S.C. **§**1531 et seq.). Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction of or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the state, to be critical; and

b. The Fish and Wildlife Coordination Act of 1958, as amended, (16 U.S.C. **§**661 et seq.) which requires that wildlife conservation receives equal consideration and is coordinated with other features of water resource development programs.

Signing these assurances means that Applicant/Contractor/Sub recipient agrees to implement its program in accordance with these provisions. Failure to comply can result in serious audit and/or monitoring findings that require repayment of funds to the State or expending Applicant/Contractor/Sub recipient funds to correct deficiencies.

_____ _____

Signature Date

Printed Name: _____

Title: _____

Organization: _____

Exhibit B

LHC MINIMUM DESIGN STANDARDS

COMPLIANCE MONITORING AGREEMENT

ASSET MANAGEMENT PROCEDURES

FAIR HOUSING PRINCIPLES AND REQUIREMENTS

Appendix C.1

Minimum Design Standards- New Construction

2415 Quail Drive, Baton Rouge, LA 70808
Main: 225-763-8700 | Toll-Free: 888-454-2001
Business Hours: 8:00 a.m. to 4:30 p.m. CST Monday- Friday

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CSI Format

The Construction Specification Index (CSI) is the standard filing system used by all architectural, design, engineering and construction professionals. The CSI format provides a uniform approach to organizing specification text by establishing a structure consisting of 16 divisions (see table of contents). Although the current Index has expanded to 50 divisions, for simplification purposes, we have determined the original 16 base divisions as the Louisiana Housing Corporation (LHC) preferred organization for new construction. The intent of this methodology is not meant to replace any Architect's desired preference for layout of their specifications; however, consideration to minimum set forth should be incorporated into all designs. Divisions XII and XIV have been eliminated.

LHC has simplified the categorization of the CSI format and has eliminated the five digit numbering code, replacing the number with a bullet.

For additional information or questions regarding CSI Format, please contact the Department of Design and Construction Review at (225) 763-8700 Ext. 304.

If a conflict arises between regulations or standards, the most restrictive will be enforced.

Acronyms

ABA—Architectural Barriers Act

ACI—American Concrete Institute

ADA—Americans with Disabilities Act

AFUE—Annual Fuel Utilization Efficiency

AHJ—Authority Having Jurisdiction

ASTM—ASTM International formerly known as (American Society for Testing and Materials)

CFM—Cubic feet per minute

CM—Concrete Masonry Units

CSI—Construction Specification Index

DWV—Drain, waste vent

GPF—Gallons per Flush

HSPF—Heating Seasonal Performance Factor

HVAC—Heating, Ventilation and Air Conditioning

IECC—International Energy Conservation Code

KCMA—Kitchen Cabinet Manufacturers Association

LSUCC—Louisiana State Uniform Construction Code

OLM—Office, laundry and maintenance

SEER—Seasonal Energy Efficiency Rating

SRO—Single Room Occupancy

Division I: General Requirements

Minimum Design Standards
Minimum Design Standards shall apply to new construction and reconstruction of all multifamily and scattered site developments.

Note: LHC's Minimum Design Standards are to be used as a guideline to meet and exceed all local, state, and national codes. These standards also provide a way to enforce above average construction and design for builders, contractors, and design professionals who wish to utilize funding from the Louisiana Housing Corporation. Other methods of construction and design may be acceptable on a case by case basis. **If you feel your design meets or exceeds LHC's Minimum Design Standards, please contact the Department of Design and Construction Review for further assistance.**

Units for Elderly Residents: All units for elderly residents shall be located at the grade level or on an elevator accessible floor.

Codes
All construction must comply with Louisiana State Uniform Construction Code (LSUCC), local planning and zoning, and local authorities and jurisdictions. Federal regulations which may pertain to the specific project such as the Fair Housing and Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended, also apply. It is strongly encouraged that the 2010 ADA/ABA standard be utilized when designing accessible units and public facilities.

Energy Efficiency
All residential building envelope designs shall exceed the energy efficiency requirements of the LSUCC, 2009 International Energy Conservation Code (IECC) and the prescriptive requirements of Energy Star Qualified Homes (IECC) and the prescriptive requirements of Energy Star Qualified Homes Version 3.

Quality Assurance
Contractor shall furnish a written material and labor warranty on the units for a period of one full year after occupancy.

Unit Size Requirements
The following minimum square foot measurements are required for the different type of units. Net square feet are the heated and cooled area of the unit.

- SRO units shall contain at least 150 square feet (common kitchen and bath)
- Efficiency units shall contain at least 450 square feet.
- One-bedroom units shall contain at least 650 square feet.
- Two-bedroom units shall contain at least 800 net square feet.
- Three-bedroom units shall contain at least 1,100 net square feet.
- Four-bedroom units shall contain at least 1,400 net square feet.

All three and four bedroom units must have at least 2 full bathrooms.

Division II: Site Work

Must meet requirements of LSUCC, Authority Having Jurisdiction (AHJ) and accepted engineering practices.

Entries
One main entry shall have a concrete, treated wood, or other hard surface exterior stoop, porch or deck, a minimum of 5' x 5'. The main entry shall have a roof or awning over the entry area. The roof shall cover at least a 5' x 5 area.

Landscaping
Adequate landscaping is required on all multifamily projects. The developer shall submit a landscape plan as part of the plans and specifications. At a minimum, each building shall include a basic landscaping package.

Turf: All lawn areas shall be seeded with the seed variety, lime, and fertilizer application rate, which is appropriate to establish a good lawn cover. All slopes in excess of 3:1 within 10 feet of the building, driveway and/or walkway shall receive sod or other approved erosion control materials which will enhance the establishment of a permanent ground cover.

Sodded Areas: It is preferred that the front yards of each building and common areas are sodded.

Fencing: It is preferred that multifamily projects be fenced in such a way to provide security around the site boundaries.

Parking/Driveways
All multifamily projects shall have adequate parking (as determined by LHC).

Parking Lots: All on-site parking lots and access drives are to be paved and parking spaces are to have bumper stops or curbs. If walkways are used as bumper stops, the walkway shall be 6' wide.

It is preferred that family units be provided with a minimum of 1 ½ on-site parking spaces per unit and that units for elderly residents have a minimum of 1 on-site parking space per unit.

Asphalt: shall consist of a hot mix asphaltic concrete pavement, such as manufactured by plants. Minimum 4" thick.

Concrete: shall conform to the latest revised Standard Specification for Portland cement, ASTM C595. All concrete shall have a minimum 28-day compressive strength of 4000 psi and be entrained with 5% air with a minimum cement content of 520 lbs. per cubic yard (5.5) sacks. Expansion-joint material shall follow requirements of American Concrete Institute (ACI) 318. Minimum 6" thick.

Soil Treatment-Termite Protection
Provide proper and complete termite treatment by a licensed exterminator.

Utilities Services
Electric: It is preferred that electrical service to new units is underground.

Laundry: all units shall be equipped with washer and dryer hookups (Exception: SRO and Efficiency Units). Laundry facilities located on the second floor and higher shall be equipped with a washer overflow pan piped to carry the overflow to an appropriate location or floor drain.

Phone-Internet: all units must be equipped with networks to provide cable television, telephone and internet access in the living area and each bedroom.

Walkways
All units shall have a paved walkway from the parking area to the main entrance.

Concrete pads and walks: All entry walks shall be a minimum of 36" wide, 4000 psi, and shall be provided at all units from the entry to parking area. The minimum concrete thickness 3 ½".

Division III: Concrete

Concrete Finishes
Comply with ACI 302.1R for screeding, re-straightening, and finishing operations for concrete surfaces. Do not wet concrete surfaces. Provide the following finishes:

1. Float finish for interior steps and ramps and surfaces to receive waterproofing, roofing, or other direct applied material.
2. Troweled finish for floor surfaces and floors to receive floor coverings, paint or other thin film finish coatings.
3. Trowel and fine-broom finish for surfaces to receive thin set title.
4. Nonslip-broom finishes to exterior concrete platforms, steps and ramps.

Division IV: Masonry

Brick: The siding material of all attached units shall consist of a minimum of 30% brick, stone, or other LHC approved materials. The bricked area calculation of 30% shall not include window and door areas, nor brick below finished grade.

Face Brick: Shall be ASTM C216, Grade MW or SW, type FBS or equivalent.

Concrete Masonry Units (CMU):

It is preferred that stucco or split face shall be used for all CMU walls exceeding 3 feet or more exposure.

Division V: Metals

Metal Ties
Provide a metal tie-down strap (commonly called hurricane straps) at each bearing location of each roof truss, rafter and ceiling joist. The tie-down strap must attach to the top cord of the truss and the uppermost plate of the wall. All tie-downs shall be installed as required by AHJ.

Steel Lintels
Steel lintels, when specified for openings in masonry walls shall be primed and painted or hot dip galvanized. Preference by the AHJ shall be considered acceptable.

Division VI: Woods and Plastics/Rough Carpentry/Millwork

Wood Products, General

Lumber: Provide dressed lumber, S4S, marked with grade stamp of inspection agency. Engineered Wood Products: Acceptable to AHJ and for which current model code research or evaluation reports exist that shows compliance with building code in effect for Project.

Cabinets and Drawers

Cabinet fronts shall be made of solid wood (not particleboard); doors, drawers and fronts shall be factory finished. Cabinet ends shall be finished with appropriate veneer. All cabinets shall be Kitchen Cabinet Manufacturers Association (KCMA) approved. Custom-built local cabinet options are acceptable if approved by LHC Design Review Department prior to installation.

Roof Construction

Minimum Roof Pitch: The minimum slope on all steep slope roofs shall be 4" vertical to 12" horizontal. Porch roofs are an exception.

Composite material is preferred for decking. All exterior wood shall have a preservative retention rate of 40%.

Wood Stairs and Handrails

Composite material is preferred for stairs and handrails. All exterior wood shall have a preservative retention rate of 40%.

Division VII: Thermal and Moisture Protection

Fascias

Metal: 0.019" minimum thickness aluminum, factory finish (coil stock).

Composite: Hardiplank or other durable material as approved by LHC.

Roof

Fiberglass Shingles: ASTM D3462, antifungal, 235 lb. seal tab type over minimum 15 lb. felt, with at least a 25-year product warranty.

Gutters and Downspouts: shall be appropriately designed with a minimum 5" gutter and a 2" x 3" downspout. All downspouts shall empty onto concrete splashblocks or be piped to an appropriate location.

Siding

Composite: Fiber-Cement siding, primed, with two-coat minimum finish.

Wet Walls

Water-Resistant Drywall: Water-resistant gypsum board (commonly called green board) must be used on all walls in the bathroom and within six horizontal feet of wall surfaces where the drywall can be splashed such as kitchen sink, next to water heater and/or washer. Water-resistant gypsum, when used on ceilings must be rated for the span.

Division VIII: Doors, Windows, and Glazing

Door Accessories

Exterior hardware:

a) It is preferred that exterior doors have a doorknocker, security accessories (eyelet and deadbolt), and a kick plate.

b) All doors shall have a lever key-lock latch.

Interior Hardware: All doors shall be equipped with a lever-bundle. Install locks for bedrooms and bathroom.

Exterior Doors
Exterior Doors shall be 13/4" thick, made of steel or other equally durable material, insulated unless of solid wood (not particleboard) and be appropriately finished as recommended by the manufacturer.

Interior Doors
Solid Wood, Composite or hollow core panel doors. Interior doors shall be a minimum of 13/8" thick.

Windows
All window frames must be of solid vinyl, thermally broken aluminum, fiberglass, wood or wood clad. All glazing shall be double paned. The vapor seal on the glazing must have a minimum ten-year warranty. All windows shall have a minimum one-year warranty on the operation of the window. All windows shall have a National Fenestration Rating. Remember to include an ingress/egress window as required per code at all required locations (5.7 sq. ft.). Sash removal is not an acceptable method to achieve the required opening.

Division IX: Finishes

Exterior Ceiling
When using vinyl or aluminum material for porch ceilings, provide a rigid, solid backing such as OSB or plywood.

Exterior Finishes

Posts and Columns: It is preferred that all posts (at deck level and above), columns, and guardrails be factory made and factory finished.

Handrails: Rail shall be smooth, splinter-free and painted or factory finished to withstand the weather and resist cracking and splintering.

Finished Floor Treatments

Carpet Padding: 7/16" thick, 6-lb. minimum re-bond polyurethane.

Sheet Carpet: 25 oz. minimum, 100% nylon. Other options include Berber type with blended fiber. In high traffic areas, 30 oz. minimum is preferred.

Sheet Vinyl: Shall be Armstrong or other approved equal. Provide product adhesive and underlayment as recommended by the manufacturer. All surfaces shall be clean, dry, and appropriate temperature during installation. Minimum 10 mil wear layer. Vinyl sheet flooring shall conform to the requirements of ASTM F1303, Type I.

Vinyl Tile: Shall be Armstrong or other approved equal, 1/8" x 12" x 12". Provide product adhesive and underlayment as recommended by the manufacturer. All surfaces shall be clean, dry, and appropriate temperature during installation. Follow manufactures recommendation for pattern layout.

Wood Flooring: Flooring should be tongue and groove hardwood; factory finished, or have a minimum of three coats of site-applied, UV-protected polyurethane.

Other Flooring Products: Ceramic file and engineered flooring.
Interior entries
Paint: primed once, with two-coat satin, semi-gloss finish on all sides and faces.

Stain: stain or oil on all sides and faces, with three-coat varnish, polyurethane finish.

Factory Finished doors are acceptable.

Interior Wall Finishes

Paint: primed once, two-coat flat finish. Use gloss, semi-gloss, or satin finish for bathrooms, laundry, and kitchens.

Interior entries
At the interior side of the main entry door, there shall be an uncarpeted, finished floor area. This area shall be no less than sixteen (16) square feet.

Interior Doors

Paint: primed once, with two-coat satin, semi-gloss finish on all sides and faces.

Stain: stain or oil on all sides and faces, with three-coat varnish polyurethane finish.

Factory finished doors are acceptable.

Division X: Specialties

Closet Storage/Accessories

Closets should contain 12" deep shelf, including a coat rod. Shelves with integrated hanger hooks may also be used.

Division XI: Equipment

Bath

Accessories: All bathrooms shall have:

a) Medicine cabinet with mirror 16" wide by 20" tall (minimum) or standard mirror
b) Wall hung toilet paper dispenser
c) 18" (minimum) towel bar

Bath Tub: Tubs should be 30" minimum width; made of fiberglass, acrylic, porcelain, or cultured marble.

Faucets: Polished chrome plated. Lever handle.

Sink: Sinks shall be 15" minimum diameter; made of fiberglass, acrylic, porcelain, or cultured marble.

Shower: Showers should be 36" x 36" minimum; made of fiberglass, acrylic, ceramic, or, cultured marble.

Toilet: Toilets should be 1.6 GPF or better efficiency.

Protection/Suppression Accessories

Smoke Alarms: Building code requires the installation of smoke alarms in the following locations:

1) In each sleeping room.
2) Outside each separate sleeping area in the immediate vicinity of the bedrooms.

When more than one smoke alarm is required to be installed within an individual dwelling unit, the alarm devices shall be interconnected.

Carbon Monoxide Alarms:
An approved carbon monoxide alarm shall be installed outside of each separate sleeping area in the area immediate vicinity of the bedrooms in dwelling units within which fuel-fired appliances are installed and in dwelling units that have attached garages.

Fire Extinguishers: Must meet requirements of AHJ and building code:

1) Location: Shall be located in conspicuous locations where they will be readily accessible and immediately available for use.
2) Type: Stored-Pressure Antifreeze Type: UL-rated 2-A, 2.5-gal nominal capacity or type approved by AHJ.

Kitchen

Countertops: shall be molded roll-backed, laminate plastic or Formica with finished ends and sealed at the cut out for sink. Other appropriate materials may be used such as Corian. Consult the LHC

Department of Design and Construction Review if alternate materials are being considered prior to installation.

Faucets: Lever handled. The housing of the faucet shall not be plastic.

Hoods: All units shall be equipped with a 100 CFM intermittent or 25 CFM continuous range hood. Range hoods shall discharge to the outdoors. Use ducting sized and ducting material per manufacturer recommendation. Provide a finished cover over exposed ducting.

Sink: 6" deep minimum, stainless steel double bowl.

Laundry

Shall have an overflow pan or floor drain if laundry is located second level or higher.

Division XIII: Special Construction

Storage areas
Exterior storage areas are preferred on all units. This storage area should be constructed so it can be used for yard tools, mowers and outside recreational equipment. Any such features must be constructed to AHJ requirements.
Ramps

Note: When including an accessible ramp comply with the following in addition to the LSUCC: all ramps shall be minimum 36" wide with a 5' turning areas at each landing, and a minimum load capacity of 1500 lbs.

Composite: PVC or other with non-skid surface.

Concrete: with non-skid surface.

Metal: galvanized steel, or aluminum with non-skid surface.

Wood: shall meet the requirements of LSUCC.

Playgrounds
It is preferred that playgrounds be included in the overall design of the project. When office, laundry and maintenance (OLM) buildings are provided it is preferred that an approved fenced-in playground be provided adjacent to OLM Building. The are immediately in and around the playground shall be mulched with 6" of the appropriate material such as cypress mulch, pine bark mulch, pine needle mulch or sand.

OLM Building
On projects of 30 or more units it is preferred that the developer include an OLM building.

Project Amenities
All properties other than SRO Projects must include HVAC systems, refrigerators, stoves and on-site laundry (1 washer and 1 dryer per every 10 units, except for Elderly Projects). If washers and dryers are installed and maintained in every unit at NO additional cost to tenants, an on-site laundry is not required. The requirement of an on-site laundry shall not apply to rehabilitation projects with 12 or fewer units.

Roof Offsets
It is preferred that projects of four or more attached units be designed in such a way as to vary the roof line with offsets, gable porch roofs, etc.

Defensible Space
LHC prefers housing developments that provide residents with a sense of ownership and control of physical areas by incorporating items such as unit-specific entryways and lawn areas that are clearly associated with individual units. If this cannot be accomplished, LHC prefers to keep the total number of residents sharing these spaces as low as is practical

Division XV: Mechanical

Heating Ventilating and Air Conditioning Equipment
All units shall be heated and cooled using high-efficiency equipment. HVAC systems shall have a minimum SEER (Seasonal Energy Efficiency Rating) rating of 14.50 with a minimum HSPF (Heating Seasonal Performance Factor) rating of 8.2. Fuel oil and gas fired furnaces and boilers shall have an AFUE efficiency of 90% or greater. Alternative HVAC systems may be approved by LHC.

Plumbing Accessories
Washers and hot water heaters located on the second floor or higher shall have overflow pan piped into DWV, positive drain outside, or floor drain.

Division XVI: Electrical

Exterior Luminaries
Exterior luminaries shall be located at all entrances and common areas. All onsite parking areas shall be lighted. The electrical supply for all common areas, stairways, walkways and parking areas shall not come from the individual unit.

Interior Luminaries
Each room, hall, stair, and walk in closet shall have a minimum of one switch operated overhead light. Kitchens shall include switch-operated lighting over the cooking area, the sink area and the general or dining area. Bathrooms shall be equipped with switch-operated lighting over the lavatory area and the general area.

Appendix C.2

Minimum Design Standards- Rehabilitation

2415 Quail Drive, Baton Rouge, LA 70808
Main: 225-763-8700 | Toll-Free: 888-454-2001
Business Hours: 8:00 a.m. to 4:30 p.m. CST Monday- Friday

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Acronyms

ABA—Architectural Barriers Act

ACI—American Concrete Institute

ADA—Americans with Disabilities Act

AFUE—Annual Fuel Utilization Efficiency

AHJ—Authority Having Jurisdiction

ASTM—ASTM International formerly known as (American Society for Testing and Materials)

CFM—Cubic feet per minute

CM—Concrete Masonry Units

CSI—Construction Specification Index

DWV—Drain, waste vent

GPF—Gallons per Flush

HSPF—Heating Seasonal Performance Factor

HVAC—Heating, Ventilation and Air Conditioning

IECC—International Energy Conservation Code

KCMA—Kitchen Cabinet Manufacturers Association

LSUCC—Louisiana State Uniform Construction Code

OLM—Office, laundry and maintenance

SEER—Seasonal Energy Efficiency Rating

SRO—Single Room Occupancy

Division I: General Requirements

A. **Minimum Design Standards for Rehabilitation:** LHC's Minimum Design Standards for Rehabilitation of existing structures are to be used as a guideline to assist in meeting or exceeding all local, state, and national codes. These standards also provide a way to enforce above average construction and design for builders, contractors, and design professionals who wish to utilize funding from the Louisiana Housing Corporation (LHC). Other methods of construction and design may be acceptable on a case by case basis. If you feel your design meets or exceeds LHC's Minimum Design Standards for Rehabilitation, please contact the Department of Design and Construction Review for further assistance.

B. **Waiver Process:** Understanding that no single code can cover the infinite number of possible configurations and circumstances that may arise during rehabilitation, a written request for waiver to a LHC requirement will be earnestly considered. The request must detail the necessity of variance from this code and have prior approval from the Authority Having Jurisdiction (AHJ). Photographs are encouraged where necessary to convey understanding. All requests are to be submitted electronically to the Director of Construction, Design and Review at LHC and copied to your agency's LHC representative in multi or single family program, respective to the funding being used.

C. **LHC Funded Rehab:** (code requirements)

1. *Non HOME-funded units,* using LHC funding; the total scope of work must meet the Louisiana State Uniform Construction Code (LSUCC), in force at the time of funding, regardless of what funding source is used when other funds are leveraged to complete the scope of work.

   LSUCC regulations shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal, and demolition of detached one- and two-family dwellings.

2. *HOME-funded units*, of any amount; LHC Minimum Design for Rehabilitation Standards (MDR) and Louisiana State Uniform Construction Code (LSUCC) as applicable, shall apply to the total scope of work, regardless of what funding source is used when other funds are leveraged to complete the scope of work.

   LSUCC and MDR regulations shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal, and demolition of detached one- and two-family dwellings.

   Items identified in the work write up and incorporated in the project shall comply with the correlating sections of the LSUCC and MDR and shall not require full compliance of the entire standard(s) unless specifically required by MDR or LHC.

   Completed units shall not contain Health/Safety or Level 3 issues identified in the Federal Uniform Property Condition Standards, **Unit inspectable items**, which may be found at the following web address: http://www.lhc.la.gov/

*See Appendix #1 for a complete listing of these deficiencies.

3. Rehab projects- The completed unit must meet the requirements of the Louisiana State Uniform Construction Code (LSUCC).

   a. LSUCC regulations shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal, and demolition of detached one- and two-family dwellings.

   b. Completed units shall not contain Health/Safety or Level 3 issues identified in the Federal Uniform Property Condition Standards, **Unit Inspectable Items**, which may be found at the following web address: http://www.lhc.la.gov/

*See Appendix #1 for a complete listing of these deficiencies.

D. Universal Design Requirements: LHC encourages the inclusion of Universal Design elements whenever possible. Units that will meet Universal Design upon completion may be preferred in selection of potential projects. Follow the link below for more information. http://www.lhc.la.gov/

E. Codes: All rehabilitation activities shall comply with all applicable codes and ordinances of the Authority Having Jurisdiction (AHJ).

1. Building Code: All new construction and rehabilitation improvements shall comply with the currently adopted Louisiana State Uniform Construction Code (LSUCC).
2. Local Codes: Rehabilitation improvements shall comply with local authorities and jurisdiction's regulations, local planning, and zoning laws.
3. Federal Codes: Federal regulations which may pertain to the specific project such as the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended, may also apply.

F. Energy Efficiency: All rehabilitated single family structures are encouraged to improve the energy efficiency of the dwelling. An energy audit is encouraged; however, prescriptive methods may be utilized to achieve base efficiency ratings.

G. Work Plan and Contingencies:

1. Each recipient of LHC funding for rehabilitation shall be responsible for obtaining any required tests and surveys prior to construction.
2. Each recipient of LHC funding for rehabilitation shall develop a detailed work write up for each dwelling under rehab.
3. Each recipient of LHC funding for rehabilitation shall develop a work plan for each rehab project and shall execute the work in a manner which will not cause reworking of completed phases of construction.
4. Each recipient of LHC funding for rehabilitation shall develop a cost estimate of proposed construction activities which shall include at least 5% up to a maximum 20% contingency for unforeseen expenditures. Contingency funds may be used for hidden

damage not observed in the initial evaluation of the structure only after review and approval from LHC.

Contingency may not be used for additional features, or amenities not identified in the initial evaluation of the property.

H. Quality Assurance: The contractor shall furnish a written material and labor warranty on the dwelling improvements for one full year after completion.

Division II: Existing Conditions

A. Hazardous Materials: Each recipient of LHC funding for rehabilitation shall make reasonable efforts to avoid sites that contain known hazardous materials, such as but not limited to: Asbestos, Radioactive Waste, Biological Hazards, PCBs, Mercury, Toxic Molds, and Radon.

1. Hazardous materials shall be abated or mitigated prior to commencement of rehabilitation activities.
2. In all houses constructed prior to 1978, Lead Based Paint shall be addressed per EPA requirements.

B. Evaluation of Existing Structure: All structures targeted for rehab shall be evaluated for projected rehabilitation costs. Structures with unstable foundations, extensive termite damage, extensive deterioration, or faulty construction likely to result in collapse shall not be considered.

1. Lead-based paint abatement costs shall not be considered rehabilitation costs for this purpose.
2. Historic preservation costs shall not be considered rehabilitation costs for this purpose.

C. Existing Code Violations: Rehab activities shall remedy all active code enforcement actions or violations cited by the Authority Having Jurisdiction or utility provider.

Division III: Concrete

A. Existing Concrete: If included in the scope of work, existing exterior concrete shall be free of defects such as deterioration, cracks or joints with an elevation change more than ½", or conditions which render the concrete structure unsuitable for structure's intended purpose. Cross slopes should not exceed 2%.

B. Exterior Concrete: All new exterior concrete flatwork and stairs shall be free of hazardous defects and shall conform to the latest revised Standard Specification for Portland cement, ASTM C595. All concrete shall have a minimum 28-day compressive strength of 4000 psi and be entrained with 5 percent air with a minimum cement content of 520 lb per cubic yard (5.5) sacks).

1. Expansion-joint material- Follow American Concrete Institute (ACI) 318. Expansion joints shall be installed at connections to permanent structures and connections to

adjoining flatwork, such that occur at the primary structure, concrete stairs, driveways, public sidewalks, light fixture standards, and similar fixed structure connections.

2. Flat work shall be minimum 4-inches thick for sidewalks and accessible routes. Driveways shall be minimum 6-inches thick.

C. Concrete Finished: All new exterior concrete flatwork and stairs shall be finished to a non-slip resistant finish, such as a broom finish or equivalent.

Division IV: Masonry

A. Brick: When the scope of work addresses existing brick construction, brick veneer shall be in good condition or restored, free of holes, breaks, deterioration, or other defective conditions, and all joints shall be restored to a weather tight surface.

1. Defective units shall be replaced with units similar in texture, weight, and color to the original brick.
2. Loose and/or deteriorated joints shall be restored by acceptable tuck pointing methods, with mortar similar in composition to the original mortar.

B. Concrete Masonry Units (CMU): When the scope of work addresses Concrete Masonry Units restoration, all masonry units (Concrete Block) shall be in good condition or restored, free of holes, breaks, deterioration, or other defective conditions, and all joints shall be restored to a weather tight surface.

1. Deteriorated units shall be replaced.
2. Cracked joints may indicate unstable foundation conditions. If cracks are minor and do not indicate foundation failure; they shall be filled with a suitable vinyl concrete patch material.
3. Holes in units and joints may be filled with mortar.

Division IV: Metals

A. Flashings: When the scope of work requires replacement or repair of flashings, the following standards shall be met:

1. All replacement metal flashing materials shall be corrosion resistant and minimum nominal thickness of 0.019 inch
2. Corrosion resistant flashing in contact with pressure treated lumber, containing copper, shall not be aluminum material. Compatible products must be used as approved by manufacturer and/or AHJ.

B. Railing:

1. All metal railings shall be structurally sound.
2. Metal handrails and guards shall be properly anchored to safely resist required loads specified by Louisiana State Uniform Construction Code.

C. Awnings: When the scope of work includes restoration of awnings:

1. All existing metal awnings shall be properly anchored to the structure and surface coatings maintained.
2. Awnings shall be cleaned and painted if defective surface conditions exist.

<u>Division VI: Woods and Plastics/Rough Carpentry/Millwork</u>

A. Stair Construction

1. **New stairs**
   a. All **new exterior** stairs shall meet the current Louisiana State Uniform Construction Code regarding dimensions, handrails, and guards.
   b. **New Interior** stair construction shall meet the current Louisiana State Uniform Construction Code regarding dimensions, handrails, and guards.
2. **Existing stairs**
   a. Existing **interior** stairs shall not be reduced in rise or tread depth from the original design.
   b. Existing **exterior** stairs, guards and handrails shall be in good condition and capable of supporting normally imposed loads.
3. **Guards**
   a. All stairs with open landings, balconies, or porches more than 30 inches above grade or the floor below, shall have guardrails.
   b. All guardrails shall be safe, securely and firmly fastened in place.
   c. When the scope of work calls for guard installation, they shall be a minimum of 36" in height above the adjacent walking surface.

   Exception: Stairway guards may be 34" above the plane of the nosing of stair treads.

   d. Guards shall have infill to prevent accidental falls by providing one or more of the following:
      - Solid wall
      - Railing system with solid infill
      - Railing system with balusters spaced so that a sphere of 4-inch diameter may not pass through.
      - The triangular area on stair sides at the tread, riser, and railing may not pass a 6-inch diameter sphere.
      - Stair risers shall be closed. Open risers are not permitted.
4. **Handrails**
   a. All stairs with four or more risers shall have a handrail on at least one side.
   b. All handrails shall be easily graspable by the occupants.
   c. All handrails shall return to the wall, floor, or post so that they do not constitute a hazard.
   d. When the scope of work calls for handrail installation, they shall be mounted no less than 34" and no more than 38" above the leading nose of the stair treads.

B. Wood Decking and Porches: Existing exterior wood decks shall be free of loose, deteriorated, rotten materials, securely attached to the main structure, or properly supported by a structurally sound foundation and support system. All repairs and reconstruction of exterior decks shall meet current Louisiana State Uniform Construction Code and/or the American Wood Council's, Prescriptive Residential Wood Deck Construction Guide. The Prescriptive Residential

Wood Deck Construction Guide is available as a free download at: http://www.awc.org/publications/dca/dca6/dca6.pdf

C. Exterior Wood: When the scope of work addresses installation of exterior wood all new exterior wood shall consist of naturally durable hardwoods, composite materials suitable for exterior exposure, or pressure treated wood in accordance with AWPA U1 for the species, product, preservative and end use. Preservatives shall be listed in Section 4 of AWPA U1.

Ground contact: All wood in contact with the ground shall be approved pressure-preservative-treated wood suitable for ground contact use.

Division VII: Thermal and Moisture Protection

A. Fascias: When the scope of work includes restoration of fascia repairs or replacement shall meet the following requirements:

1. Wood fascias shall be properly surface coated with painted surfaces free of peeling, cracks, or other defective conditions which will allow moisture to penetrate into the wood.
2. Fascias may be covered with factory finished 0.019" minimum thickness aluminum where local ordinances allow.
3. All decayed wood shall be replaced with solid material before covering with metal.

B. Exposed Wood: All replacement wood exposed to elements of weathering shall consist of naturally durable hardwoods, composite materials suitable for exterior exposure, or pressure-treated wood where applicable.

All pressure-treated wood shall have a minimum preservative retention rate for above ground applications and a minimum preservative retention rate for all wood in contact with the ground as required by the manufacturer.

C. Reroofing: When the scope of work includes roof work, this section shall apply:

1. **Roof Structure**
   a. Structural elements of the roof support system shall be evaluated prior to commencement of reroofing activities.
   b. All defective rafters shall be repaired, replaced, or otherwise braced to safety withstand live loads during reroofing activities.
   c. Where roof covering is replaced, all substrate shall be repaired to a sound condition, free of rot or deterioration, suitable to support and anchor the new roofing material.
2. **Roof Covering**
   a. The roof and flashing shall be sound, tight, and not have defects that admit water intrusion.
   b. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure.
   c. Existing roof drains, gutters and downspouts shall be in good repair and free from obstructions. Must function as designed.
   d. Roof water shall be discharged in a manner so as to not cause moisture problems to the structure.

e. When the scope of work calls for roof covering, existing roof coverings shall be removed prior to reroofing.

f. Roof coverings shall be installed in accordance with the manufacturer's installation instruction.

3. **Asphalt or Fiberglass Shingles**: New dimensional or 3-tab shingles shall have a minimum warranty period of 25 years and be suitable for design wind speeds at location proposed.
4. **Underlayment**: Where roof coverings are removed to the decking below, minimum #15 felt shall be applied to the full area of the deck, including overhangs and porches. Underlayment shall be applied in accordance with the currently adopted Louisiana State Uniform Construction Code. Synthetic underlayment is acceptable if allowed by roofing manufacturer.
5. **Ribbed Sheet Metal:** Metal roof coverings shall be applied in accordance with the manufacturer's installation instructions and meet ASTM A 924 corrosion resistance requirements.
6. **Manufactured Home Roof Repair or Replacement:** Any product used to coat, cover, repair, or replace a manufactured home roof must be installed per manufacturer's installation instructions and/or recommendations. Written documentation by a qualified engineer for the installation of a product(s) is also acceptable.
7. **Flashing**

   a. All step flashings, counter flashings, and crickets shall be repaired or reconstructed, where a roof covering is added or replaced.

   b. Flashing at roof penetrations, such as plumbing vents, attic vents, electrical risers, or similar roof penetrations, shall be provided and replaced where a roof covering is replaced.

D. Gutters and Downspouts

1. Where roof water drainage causes deterioration to the structure or accumulation of water near the foundation, roofs shall have gutters and downspouts and shall be appropriately designed with a minimum 5" gutter and 2" x 3" downspouts.

   Exception: Local authorities may require reproduction of box or half-round style gutters. In this case, local requirements shall prevail.

   Exception: Manufactured homes with integral guttering systems.
2. All downspouts shall empty onto concrete or composite splash blocks, or be piped to an approved location. Thin, lightweight, plastic splash blocks are not acceptable.
3. Rain water discharge shall runoff in a manner that does not create a nuisance, cause foundation damage, or infiltrate under or into the structure, or other structures.

E. Siding

Existing siding shall provide a weather tight barrier, free of holes or deterioration that admits rain into the walls of the structure.

F. Replacement Siding: All new siding material shall be installed in accordance with the manufacturer's installation instructions.

1. **Substrate Repair:** Where siding is replaced, all substrate shall be repaired to a sound condition, free of rot or deterioration, suitable to support and anchor the new siding material.

2. **Weather resistant membrane:** Where siding is removed and replaced, a weather resistant membrane (Tyvek or similar) shall be installed per manufacturer's specification.
3. **Flashing**: All windows and doors shall be properly flashed before new siding is installed.
4. **Approved Materials:** All new siding shall consist of one or more of the listed materials below:
   a. **Composite:** Fiber cement siding, primed, with two-coat minimum finish or factory finish.
   b. **Metal:** 0.024" minimum thickness aluminum or galvanized steel with factory finish.
   c. **Vinyl:** 0.040" minimum thickness, UV protected.
   d. **Wood:** cedar or redwood stained or primed once with 2-coat minimum finish.

G. Insulation

1. When the scope of work addresses the installation of insulation in the thermal envelope, insulation shall be added in all ceilings with accessible attics, floors with crawl spaces, and any cavity exposed or opened during rehabilitation to provide at least the minimum R-value listed in the currently adopted International Energy Conservation Code.
   a. Baffles shall be provided at the intersection of exterior walls and ceilings to allow adequate passage of ventilation air where insulation is added to the attic.
   b. All insulation blow in walls (other than mobile homes) must be dense-packed to a minimum density of 3.5 pounds per cubic foot of volume.
   c. When using prefab wall plugs (that will remain exposed) to cover holes created for the purpose of blowing wall or ceiling insulation the client must agree in writing before work on this measure begins.
   d. Insulation blown into the under-belly of a mobile home must be supported by a covering system (or material(s)) capable of supporting the weight of the insulation.

H. Air Infiltration: When included in the scope of work the following standards shall apply.

1. When exposed/uncovered during rehab activities, penetrations of floor, walls, and ceilings, such that occur at access openings, electrical wiring and outlet boxes, plumbing piping, and ducts, shall be sealed to prevent free passage of air between conditioned and unconditioned spaces or the exterior.
2. **Air Barriers:** Exposed walls in attics, separating the conditioned space of the dwelling unit from the unconditioned space in the attic, shall have an approved air barrier installed on the attic side of the wall.
3. **Access Hatches and Doors Air Sealing and Insulation:** Access doors from conditioned spaces to unconditioned spaces, such as attics and crawl space, shall be weather-stripped and insulated to a level equivalent to the insulation on the surrounding surfaces.

   When loose fill insulation is installed, provide a wood framed or equivalent baffle or retainer to provide a permanent means of maintaining the installed *R*-value of the loose fill insulation.
4. **Recessed Lighting:** Recessed luminaries installed in the building thermal envelope, shall be sealed to limit air leakage between conditioned and unconditioned spaces.

a. All recessed luminaries shall be IC-rated and *labeled* as meeting ASTM E 283, when tested at 1.57 psf (75 Pa) pressure differential; with no more than 2.0 cfm (0.944 L/s) of air movement from the conditioned space to the unconditioned space.

b. A boxed enclosure may be built with type x gypsum over existing fixtures provided it fulfills the manufacturer's clearance to combustible specifications for the existing fixture.

I. Crawl Space: Where a crawl space is found to hold water or retain moisture sufficient to promote mold growth, the following standards shall be met:

1. Accessible crawl spaces shall be free from construction debris and standing water.
2. Install a drainage system to relieve water retention.
3. Provide an access door per current LSUCC requirements.
4. Provide ventilation per current LSUCC requirements.
5. Repair or install a minimum 6 millimeter vapor barrier on the floor of the crawl space to provide a tight, vapor retardant membrane.

<u>Division VIII: Doors, Windows, and Glazing</u>

A. Exterior Doors: When the scope of work includes the installation of doors, the following standards shall be followed.

1. All exterior doors shall be 1 ¾" thick, insulated and made of steel or other equally durable material or solid wood. (not particleboard)
2. All exterior doors shall be appropriately finished as recommended by the manufacturer, and in a sound, weather stripped, weather tight, good condition.
3. When enlarging an exterior door it shall be a minimum of 36" wide.

B. Interior Doors: When the scope of work includes the installation of doors, the following standards shall be followed.

1. Existing interior doors shall be a minimum of 1 3/8" thick.
2. Existing interior doors shall be solid wood, composite, or hollow core panel doors, in good condition, properly finished, and operable.
3. Defective interior doors shall be replaced or restored to good condition and operate properly.

C. Door Accessories: When the scope of work includes replacement of door hardware, the following standards shall be followed.

1. All egress doors shall be evaluated for being readily openable from the inside of the dwelling.
2. All egress doors shall be readily openable from inside the dwelling without the use of a key or special knowledge or effort.
3. When the scope of work includes installation of other door accessories, all door accessories shall be quality material with no plastic latches or inferior hardware.
   a. **Latches, knobs, and hinges** shall be metal with polished or brushed finish.
   b. **Exterior Door Hardware:** All entry doors shall be equipped with a brass plated, or other durable metal finished, key lock knob or handle and deadbolt (see egress provisions).
   c. **Interior Door Hardware**: All interior doors shall be equipped with brass-plated, or other durable metal finished, knobs or handles.

D. **Units with more than one bedroom:** The scope of work shall not create a condition where bedrooms constitute the only means of access to other bedrooms or habitable spaces and shall not serve as the means of egress from other habitable spaces.

E. **Kitchens and non-habitable spaces:** The scope of work shall not create a condition where kitchens and non habitable spaces are used for sleeping purposes.

F. **Existing Windows:** Windows not included in the scope of work shall meet the following standards.

1. **Glazing:** All existing windows shall be sound and weather tight with no holes or missing panes.
2. **Frames:** Window frames shall be free of defective conditions such as rotten components, peeling paint, inferior glazing compound, missing counter weights, or condition which will render the window unsafe to operate, or will not provide an effective weather tight barrier.
3. **Operation:** Every window, other than fixed windows, shall be easily openable and capable of being held in position by window hardware. A lock or latch must be installed if not present for security that does not require special knowledge or tools to operate from inside the dwelling.

G. **Replacement Windows:** All replacement windows shall meet the following criteria.

1. All window frames must be of solid vinyl, thermally broken aluminum, fiberglass, wood, or wood clad.
2. All glazing shall be double-paned.
3. The vapor seal on the glazing must have a minimum ten-year warranty.
4. All windows shall have a minimum one-year warranty on the operation of the window.
5. All windows shall have a National Fenestration Rating meeting current minimum energy code requirements for Zones 2 & 3.
6. Windows at grade level shall have security latches which will not require special knowledge or tools to operate from the inside of the window.
7. Safety glazing shall be installed in hazardous locations, as defined by Louisiana Residential Code, where replacing existing glazing in hazardous locations.
8. When the scope of work calls for window replacement, all windows in rooms used for sleeping purposes shall have a window or door, meeting LSUCC requirements (IRC 310), connecting directly to the outside of the structure into an open court or yard. Removal of window sashes is not an acceptable method to meet the minimum opening requirements of the LSUCC for emergency escape and rescue.

   Exception: Replacement, emergency escape and rescue, windows are allowed provided the window opening size is not decreased. Documentation of previous window size must be kept in client file.

H. **Attic Access Opening:** When the scope of work includes the installation of attic access the following standards must be followed unless conditions exist making these specifications unattainable. In such cases a reasonable effort must be made to comply as close as possible.

1. In all attic spaces with headroom of 30" or more, minimum 22" by 30" (roughed-framed opening) attic access shall be provided.

2. All access openings must weather stripped (or air sealed) and be insulated to the same R-value as the adjacent attic space.

I. Crawl Space Access Opening

1. Existing crawl space access must be evaluated so at a minimum, the opening must have a functioning door and latch.
2. When the scope of work includes the installation of crawl access the following standards shall be followed unless conditions exist making these specifications unattainable. In such cases a reasonable effort must be made to comply as close as possible.
   a. Crawl spaces shall be provided with a minimum 16" by 24" opening and shall not be located under an exterior doorway.
      Exception: Openings through the floor shall be a minimum of 18" by 24".
   b. Access openings located in the exterior foundation wall shall be no less than 16" by 24".
   c. Access openings below grade; shall have an areaway, with the areaway floor below the threshold of the access door. Width and height of the areaway shall not be less than 16" by 24".

Division IX: Finishes

A. Exterior Finishes: When the scope of work includes repair or replacement of exterior finishes, the following standards shall apply.

1. All exterior finishes shall be free of holes, loose material, peeling paint, deterioration, mold, dirt, or other defective conditions.
2. All trims and soffits shall be constructed to resist the entry of insects or vermin into concealed spaces of the structure.

B. Wood: When the scope of work includes repair or replacement of exterior wood, the following standards shall apply.

1. All unfinished exterior exposed wood shall have a minimum preservative retention rate for above ground applications and a minimum preservative retention rate for all wood in contact with the ground, as specified by the manufacturer.
2. Use of CCA Treated lumber shall be prohibited.

C. Posts and Columns: When the scope of work includes repair or replacement of exterior posts and columns, the following standards shall apply.

1. All front porch columns shall be capable of supporting the roof dead load plus live loads and be 4" x 4" minimum pressure treated wood, extruded aluminum, fiberglass, or other factory-made, finished material.
2. Replacement front porch columns shall closely match original design unless structurally deficient.
3. Side or rear decks and porches may have a minimum of 4" x 4" pressure treated posts, at a maximum length of 10', supporting the roof above.

D. Handrails: Where handrails are required or included in the scope of work, the following standards shall apply.

1. All hand railing shall be smooth and splinter-free.

2. The paint, seal coat, or factory finish shall be in good condition or restored to retard deterioration of the handrail.
3. vinyl, metal, or composite material.
4. Seals or stains shall not be acceptable treatment methods for applications where pressure treated or naturally durable material is required.

   Seals or stains may be used to preserve the integrity of treated wood handrail material.

E. Fiber Cement Siding

1. On structures rehabbed for resale, existing siding shall be in good condition.
2. When the scope of work calls for new installation, siding shall be factory finished or be painted with at least two coats of exterior grade paint.

F. Exterior Ceiling

1. Existing exterior ceilings, such as those that occur on porches, shall be free of openings to concealed spaces of the structure
   Exception: Required ventilation openings are allowed provided insect screens are installed to protect from entry of insects or vermin into the concealed space.
2. **Solid Backing:** When the scope of work includes using vinyl or aluminum material for porch ceilings, provide a rigid, solid backing such as OSB or plywood.

G. Carpet Padding: When the scope of work calls for new installation, carpet shall be a minimum of 7/16" thick, 6-lb. minimum re-bond polyurethane.

H. Sheet Carpet: When the scope of work calls for new installation, sheet carpet shall be 25 oz. minimum, 100 percent nylon. Other options include Berber type with blended fiber. High traffic areas, such as hallways, shall have 30 oz. minimum.

I. Sheet Vinyl: When the scope of work calls for new installation, sheet vinyl shall be minimum 10 mil wear layer or approved equal. Provide product adhesive and underlayment as recommended by the manufacturer. All surfaces shall be clean, dry, and appropriate temperature during installation. Vinyl sheet flooring shall conform to the requirements of ASTM F 1303, Type I.

J. Vinyl Tile: When the scope of work calls for new installation, vinyl tile shall meet the following standards:

1. Vinyl tile shall be minimum thickness of 1/8".
2. Provide product adhesive and underlayment as recommended by the manufacturer.
3. All surfaces shall be clean, dry, and appropriate temperature during installation.
4. Follow manufacture's recommendation for pattern layout.

K. Wood Flooring:

1. When the scope of work calls for new installation, wood flooring shall be tongue and groove hardwood, factory finished; or have a minimum of three coats of site-applied, UV-protective polyurethane.
2. Where interior floors are repaired in the scope of work, holes in hardwood floors shall be repaired, sanded and finished with closely matching finishes to the original finish.

L. Other Flooring Products

When the scope of work calls for new installation, ceramic tile and laminates installed per manufacturer's recommendations may be used.

Existing broken tiles shall be replaced with similar size, color and texture.

M. Kitchen and Bath Floor Covering: When the scope of work calls for installation of kitchen and bath floor covering, kitchens and bathrooms shall be covered with a smooth non absorbent material such as ceramic tile, sheet vinyl, vinyl tile, or vinyl slabs.

N. Interior entries: When the scope of work addresses the floor covering on the interior side of the main entry door, there shall be an uncarpeted, finished floor area. This area shall be no less than 16 square feet.

O. Interior Door Finish: When the scope of work addresses interior door finish, interior doors shall be finished and free of defective conditions. One or more of the following finishes may be utilized.

1. **Paint:** Primed once, with two-coat satin, semi-gloss finish on all sides and faces.
2. **Stain:** Stain or oil on all sides and faces, with three-coat varnish, polyurethane finish.
3. **Prefinished Doors:** Factory Finished doors are acceptable.

P. Water-Resistant Drywall: Where a rehab involves replacement of drywall in bathrooms and near areas where it may become wet, water resistant drywall shall be used as the replacement wall board in areas set forth as follows

1. Water-resistant gypsum board (commonly called green board) must be used on all walls in the bathroom and within six horizontal feet of wall surfaces where the drywall can be splashed such as a kitchen sink, next to water heater and/or washer.
2. When a tub/shower unit is on an exterior wall, provide water-resistant gypsum board behind the tub/shower unit.
3. Water-resistant gypsum, when used on ceilings must be rated for the span.

Q. Interior Wall Finishes: Where a rehab involves renewal of interior wall finishes, all existing interior wall finishes included in the scope of work shall be free of conditions such as peeling paint, holes, loose material, deteriorated surfaces, mold, mildew, and rot.

1. **Drywall repairs:** Shall be sanded to a smooth finish prior to applying primer paint.
2. **Paint:** Patches in existing drywall and all new drywall shall be primed once with two-coat finish paint. Gloss, semi-gloss, or satin finish shall be used for bathrooms, laundry, and kitchens.
3. **Paint over existing painted walls:** All repainted walls shall have coverage sufficient to completely hide the previous color. Primer and two finish coats may be required to accomplish this requirement.

Division X: Specialties

A. Entries: When the scope of work includes the installation of exterior entry components, the following standards shall be followed unless conditions exist making these specifications unattainable. In such cases a reasonable effort must be made to comply as close as possible.

1. All main entries shall have a concrete, treated wood, or other hard surface exterior stoop, porch or deck not to exceed 8 ¼" below the top of the threshold and have a minimum dimension of 36" by 36".
2. Secondary entries shall have a landing on the exterior of the door opening if the finished interior floor is more than 30" above the exterior adjacent grade or floor surface. Secondary exterior entries with less than 30" above grade elevation shall have a stair with a landing at grade level.

B. **Bath:** Rehabbed bathrooms in homes for resale shall be equipped, at a minimum, with the following:

1. Medicine cabinet with storage and mirror 16" wide 20" tall (minimum)

   Other combinations of mirror and storage may be acceptable by approval of LHC Construction Design and Review Department.
2. Wall-hung toilet paper dispenser
3. 18" (minimum) towel bar
4. Shower rod if applicable

C. **Site Address:** Homes rehabbed for resale shall meet the following standards:

1. When the scope of work addresses installation of street address numbers, they shall be displayed on the structure in an area visible from the street for each dwelling.

   Exception: Where a structure is located more than 100 feet from the street or road, or where local jurisdiction's regulations allow, street address numbers may be displayed on the mailbox near the street.
2. Characters shall be of contrasting color in relation to the background where they are applied.
3. Arabic numbers and alphabet letters shall be displayed in English language and minimum ½" stroke width and 4" in height.

D. **Mail Boxes:** Each dwelling rehabbed for resale shall have a mailbox installed per US Postal Service regulations unless client waives this requirement due to not receiving mail at the residence.

Division XI: Equipment

A. **Radon Reduction: In units known to have high radon levels:**. Units found to be at or above, 4pCi/l (PicoCuries per liter of air), shall install a Radon reduction system during the rehabilitation.

B. **Combustion Appliances**

1. Combustion Appliance Zone (CAZ) worst-case scenario draft test shall be performed on all atmospheric combustion appliances per BPI standards by qualified staff at the time of initial house evaluation.
2. CAZ testing must be conducted at the conclusion of any day that air sealing or other measures that may contribute to the air tightness of the combustion appliance zone(s) have been performed.

3. All CAZ test results during the construction phase and post inspection must pass acceptable standards.
4. If the initial CAZ tests reveal unacceptable results, the scope of work must state that this condition must be corrected first before proceeding with other work.
5. Documentation of all CAZ testing must be kept in the client file.

Division XII: Furnishings

A. Cabinets and Drawers: Where the scope of work includes replacement or repair of cabinetry the following standards shall apply:

1. **Existing Cabinets:** Cabinets shall be of sound construction and free of deterioration, with all doors, drawers, shelves, hardware, and other features in good condition and with a clean and sanitary finish.
2. **Replacement Cabinets**
   a. Cabinet fronts shall be made of solid wood (not particleboard).
   b. Doors, draws and fronts shall be factory finished.
   c. Cabinet ends shall be finished with appropriate veneer.
   d. All cabinets shall be Kitchen Cabinet Manufacturers Association (KCMA) approved.

B. Countertops: Where the scope of work includes replacement or repair of countertops the following standards shall apply:

1. **Existing Countertops:** Countertops and vanity tops shall be a smooth non-absorbent finish and free of defects such as holes, cracks, porous materials, or other defects which may retain moisture or food particles.
2. **Replacement Countertops**
   a. Shall be molded roll-backed, laminate plastic or Formica with finished ends and sealed at the cut out for the kitchen sink or basin.
   b. Other appropriate materials may be used such as synthetic molded tops, recycled glass tops, or other green construction friendly material.
   c. Consult the LHC Department of Construction Design and Review.

C. Closet Storage/Accessories: In homes rehabbed for resale or included in the scope of work, clothes closets shall contain 12" deep shelf, including a coat rod. Shelves with integrated hangar hooks may also be used.

Division XIII: Special Construction

A. Laundry: Laundry facilities located on the second floor shall be equipped with a washer overflow pan piped to carry the overflow to an appropriate location. This requirement covers new installations only, but recommended where feasible for existing locations.

B. Storage areas: Projects which incorporate accessory storage buildings or areas are encouraged. If storage areas are provided, in the scope of work, the following minimum design shall apply.

1. The storage area shall be a minimum of 48 sq. ft. for all units over 960 square feet of living space.

2. Interior ceiling height shall be a minimum of 7' in all storage areas and the width or depth shall not be less than 4' in any interior dimension.
3. Provide a pre-hung 3'0 x 6'8" entry door to the storage area with an entry lock.
4. The storage area may be provided by any of the following:
    a. A free-standing building architecturally similar to the house.
    b. Wood buildings, with T-111 or equal plywood siding, painted a compatible color with the primary structure are acceptable.
    c. Unfinished crawl space area.
    d. Metal buildings are not permitted.
5. Units that utilize an unfinished crawl space area for storage must create an appropriately-sized room with a concrete floor and provide the following:
    a. A pre-hung metal entry door 3'0" x 6' 8"
    b. 20-min. fire separation (walls and ceiling)
    c. A switched light fixture
    d. Adequate ventilation for hazardous fumes
    e. Access to the remainder of the crawl space.
6. Storage areas attached to the unit. Attached storage areas should be designed to complement and blend in with the home. This area shall have a concrete floor and provide the following:
    a. Footings complying with local requirements.
    b. A pre-hung metal entry door 3'0" x 6' 8"
    c. 20-min. fire separation (walls and ceiling)
    d. A switched light fixture
    e. Adequate ventilation for hazardous fumes

C. Ramps

1. It may be necessary to provide a ramp in the rehab project. If a ramp is provided it shall be constructed in compliance with ANSI A117.1-2003, ADA, UFAS, or any other nationally recognized accessibility code.
2. Ramps shall be constructed of approved materials suitable for the purpose, or a combination of materials in the following list:
    a. **Composite:** PVC or other with non-skid surface.
    b. **Concrete:** with non-skid surface.
    c. **Metal:** galvanized steel, or aluminum with non-skid surface.
    d. **Wood:** Pressure treated lumber.
    All exterior wood shall meet the requirements of LSUCC for application proposed.

<u>Division XIV: Fire Suppression</u>

Portable fire extinguisher should be provided in the locale of the kitchen for the typical application.

<u>Division XV: Plumbing</u>

A. Existing Plumbing: Where a rehab involves replacement or repair of plumbing elements or installation of new water supply or septic systems, the following standards shall apply:

1. All fixtures, water supply lines, and drain/waste/vent lines shall be in working condition, free of obstructions, leaks, or other defects which interfere with proper operation or sanitation of the system.
2. Defective fixtures shall be replaced with new, energy saving features.
3. Drain/waste/vent systems shall be connected to a public sewer or to an approved private sewage disposal system. Newly installed private systems shall be approved by the local health department (DHH).
4. Water supply shall be from either a public supply system or an approved private supply. Private supplies shall be approved by the Authority Having Jurisdiction.
    a. Water supply lines shall be insulated in all areas subject to freezing temperatures.
    b. Replacement fixtures shall be provided with water shut off valves at the fixture location or a central manifold which will isolate the individual fixture for servicing. The building's main shut off valve shall not be acceptable for this requirement.

B. New Plumbing

1. All repair, replacement, addition, or new installation of plumbing systems shall meet the LSUCC and shall be approved by a certified plumbing inspector.
2. Ordinary repairs and fixture replacement may not be subject to inspection by the certified inspector, but shall be subject to the applicable plumbing code.
3. The following specifications shall be the minimum size and/or quality for replacement plumbing fixtures:
    a. **Bath tubs** shall be 30" minimum from approach side to wall; made of fiberglass, acrylic, porcelain, or cultured marble.
    b. **Faucet housings** shall not be plastic.
    c. **Lavatories** shall be 15" minimum diameter; made of fiberglass, acrylic, porcelain, or, cultured marble.
    d. **Showers** shall be 36" x 36" minimum; made of fiberglass, acrylic, ceramic, or, cultured marble.
    e. **Toilets** shall be maximum 1.6 GPF; made of porcelain.
    f. **Kitchen sinks** shall be 6" deep minimum, stainless steel double bowl.
    g. **Laundry facilities** and **hot water heaters**, located on the second floor or higher, shall have an overflow pan piped into a DWV system, positive drain to the outdoors, or an approved floor drain. This requirement is for new installations but is recommended for existing locations.
    h. **Water heaters** shall have a minimum energy factor efficiency of .93 for electric and .67 for gas fired water heating equipment.

<u>Division XVI: Heating Ventilating and Air Conditioning</u>

A. Existing HVAC Systems

1. All existing mechanical appliances, fireplaces, solid-fuel burning devices, cooking appliances, water heating appliances and HVAC equipment shall be evaluated for efficiency and inspected for defective or inadequate operation, ductwork, clearance to combustibles, safety controls, energy supply, combustion air supply, combustion gas venting, insulation, air sealing, and equipment.

2. If the system is capable of serving the intended purpose and defective conditions exist, the defects shall be corrected to provide the most efficient operation of the existing system.
3. Fuel-burning equipment shall combust fuel safely and operate as close to the designed Annual Fuel Utilization Efficiency (AFUE) as possible.
4. Flue gases (oxygen and carbon monoxide), stack temperature, draft and smoke (where applicable) shall be within acceptable limits.
5. A pre and post rehab Combustion Appliance Zone (CAZ) worst case scenario draft test shall be performed on all atmospheric combustion appliances per BPI standards.
6. CAZ testing is highly recommended at the conclusion of each work day, especially when measures affecting the tightness of the envelope are being performed.
7. Combustible fuel burning appliances, their fuel supply lines, and their venting systems shall be inspected and tested for proper sizing, operation, leaks, deterioration, adequate combustion, clearance to combustibles and shall be in compliance with the manufacturers installation requirements, and where applicable NFPA 54, NFPA 211 and NFPA 31.
8. Furnaces, air conditioners, heat pumps, and air handlers more than 20 years old shall be replaced with energy efficient equipment.

B. Replacement Heating Ventilating and Air Conditioning Equipment

1. All dwelling units, receiving an upgrade to the HVAC system, shall be heated and cooled using high-efficiency equipment.
2. Heat pump systems shall have a minimum SEER (Seasonal Energy Efficiency Rating) rating of 14.5 with a minimum HSPF (Heating Seasonal Performance Factor) rating of 8.2.
3. Fuel oil and gas fired furnaces and boilers shall have an AFUE efficiency of 85 percent or higher.
4. Alternative HVAC systems may be evaluated for use by LHC's Department of Construction, Design and Review.
5. All replacement systems shall be sized in accordance with ASHRAE Manual J including mini-split and zoned systems.

C. Duct Sealing and Insulation: Where the scope of work includes new duct installation the following standards shall apply:

1. AII ducts, including exhaust vent ductwork, installed in unconditioned spaces, outside the thermal envelope of the structure, shall be sealed and insulated with an insulation wrap of minimum R-8 value.
2. Duct penetrations between conditioned space and unconditioned space through floors, walls, and ceilings, shall be sealed with approved materials, preventing conditioned air from entering unconditioned space or escaping to the exterior.
3. Duct insulation shall extend to the floor, wall, or ceiling membrane where the supply duct passes through unconditioned space and terminates at a membrane of conditioned space.
4. Duct systems, located outside the thermal envelope of the dwelling, shall be pressure tested by qualified staff in accordance with the following criteria.
    a. Post construction test: Leakage to outdoors shall be less than or equal to 8 cf/m (226.5 L/min) per 100 ft2 (9.29 m2) of *conditioned floor area* or a total leakage less than or equal to 12 cf/m (12 L/min) per 100 ft2 (9.29 m2) of *conditioned*

floor area when tested at a pressure differential of 0.1 inches w.g. (25 Pa) across the entire system, including the manufacturer's air handler enclosure.

b. All register boots shall be taped or otherwise sealed during the test.

c. *Documentation of all duct testing (Pre and Post) shall be kept in the client file.*

D. Programmable Thermostats

1. All newly installed HVAC systems shall be controlled by a programmable thermostat.
2. Existing programmable thermostats must be evaluated to ensure the device can still deliver the features designed by the manufacturer.
3. Training must be provided to tenants/clients on use.

E. Building Ventilation

1. The dwelling must be evaluated for compliance with Section 4 of the ASHRAE 62.2-2010 Ventilation and Acceptable Indoor Air Quality in Low-Rise Residential Buildings.
2. In no case shall the whole building ventilation rate be reduced below minimum whole-building ventilation requirements of ASHRAE 62.2 standards.
3. Where ventilation rates do not meet ASHRAE 62.2 standards, mechanical ventilation shall be provided to maintain minimum ventilation rates.
4. Existing exhaust ventilation discharge must be evaluated for proper discharge location.

   Relocation of exhaust vents may be required if located too close to fresh air intakes of the dwelling.

F. Range Hoods: When the scope of work includes installation of a range hood, the following standards shall apply:

1. All dwelling units shall be equipped with a minimum 150 CFM range hood vented to the exterior of the building.
2. Use manufacturer's recommended ducting material sized per installation instructions.
3. Exhaust ducting shall be concealed with a finish similar to the adjacent cabinetry where it extends above the wall cabinets through the ceiling.
4. Exhaust ducts shall terminate, at the exterior of the structure, in an exhaust hood, equipped with a back draft damper.

Exceptions and Considerations:

a. Designs utilizing Energy Recovery Ventilation technology may use a recirculation hood as a part of the ventilation design in combination with other intake and exhaust air openings.

b. Hoods vented to the exterior may contribute to compliance with ASHRAE 62.2.

c. If a waiver is granted, recirculation hoods shall be equipped with an activated charcoal filter. Approval must be obtained prior to installation from the LHC Department of Construction, Design and Review.

G. Bathroom Ventilation: When the scope of work involves rehabilitation of a bathroom, the following standards shall apply:

1. Bathrooms shall have a properly installed ventilation fan, minimum 50 CFM, vented to the exterior, penetrating the structure's outermost membrane. Ventilation fans vented to the exterior may contribute to compliance with ASHRAE 62.2.

Exception: A ventilation fan is not required where existing window openings provide minimum ventilation required LSUCC.

2. Exhaust fan ducts systems shall be equipped with a back draft damper, terminate at the exterior of the structure, in a receptacle designed for this use and location.

H. Clothes Dryer Exhaust: Newly installed clothes dryers shall exhaust directly to the exterior, through the exterior membrane of the structure.

1. Exhaust ducts shall terminate, at the exterior of the structure, in an exhaust hood, equipped with a back draft damper.
2. Ducts shall be minimum 4" diameter with a smooth interior surface.
3. Joints shall be joined together in the direction of air flow.
4. No fasteners or screws shall penetrate the walls of the duct.
5. Exhaust ducts shall not be more than 25' equivalent length from the laundry area to the exterior of the structure. 90 degree ells = 5' equivalent length. 45 degree ells = 2.5' equivalent length. Straight duct is 1' linear length = 1' equivalent length.
6. In the laundry area, a maximum 8' length of flexible duct may be connected from the dryer exhaust duct to the clothes dryer.

I. Existing Clothes Dryer Exhaust:

1. Existing clothes dryer exhaust ducts shall be inspected and replaced if constructed of flexible, corrugated duct material.
2. Existing exhaust ducts shall be cleaned if blockage is discovered during inspection.
3. Existing clothes dryers exhausting to the interior environment shall be vented as closely as possible, in equivalent length of pipe run, to new exhaust installation requirements.

Division XVII: Electrical

A. Existing electrical system: In homes rehabbed for resale or if electrical alterations are included in the scope of work, the electrical system shall be evaluated for suitable size, minimum provisions, and electrical hazards by a licensed electrical contractor. The system shall meet the following minimum standards.

1. All visible deficiencies and hazards shall be corrected.
2. All receptacle outlets in bathrooms, laundry rooms, kitchens, and outdoor outlets shall be protected by a ground fault circuit interrupter (GFCI).
3. All entrances, common hallways, interior and exterior stairways, bathrooms, kitchens, laundry rooms, and HVAC equipment rooms shall contain at least one luminary and it shall provide adequate lighting for the area.
   a. All permanently installed light fixtures shall have Energy Efficient lamps installed if suitable for types of switches installed.
   b. All other rooms shall contain at least one wall switch controlled light.
   c. Repairs may require AHJ inspections.

B. Additions, Alterations, New Wiring

1. All new wiring or extensions of the existing electrical system shall meet the current edition of the National Electrical Code and shall be inspected and approved by the AHJ.
2. Additional loads may require re-evaluation of the service size.

C. Rehab Involving Complete Removal of Plaster or Wallboard:

1. In addition to meeting the requirements of the NEC, each room, hall, stair, and walk in closet shall have a minimum of one switch-operated overhead light.
2. Kitchens shall include switch-operated lighting over the cooking area, the sink area and the general or dining area.
3. Bathrooms shall be equipped with switch-operated over the lavatory area and the general area.
4. Smoke detectors shall be installed in accordance with the current edition of the LSUCC.

Division XVIII: Communications

Minimum Provisions: Homes rehabbed for resale shall comply with the following standards.
If the dwelling is not prewired, means to connect to telephone and cable communication devices must be considered. If feasible the following provisions shall be provided.

1. Provide wiring for communication devices, or a roughed-in box and blank trim plate, with a raceway and pull string leading to an accessible area such as the attic or crawlspace, to allow the future installation of the required communication devices.
2. A raceway shall also be provided from the point of service to an accessible area within the structure.

Division XIX: Electronic Safety and Security

A. Fire Detection and Alarm

1. **Smoke Alarms:** Smoke alarms shall be installed in existing and rehabbed dwellings at all of the following locations:
   a. On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms no more than 8' from the bedroom door.
   b. Within each room used for sleeping purposes.
   c. In each story within a dwelling unit, including basements and cellars but not including crawl spaces and uninhabitable attics.

   In dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.

2. Smoke alarms shall be interconnected in a manner that activation of one alarm will activate all of the alarms in the individual unit.
3. The alarm shall be clearly audible in all bedrooms, over background noise levels, with all intervening doors closed.
4. Smoke alarms in existing areas are not required to be interconnected where alterations or repairs do not result in the removal of interior wall or ceiling finishes exposing the structure, unless there is an attic, crawl space, or basement available which provides access for interconnection without the removal of interior finishes.
5. Smoke alarms shall receive their primary power from the building wiring, provided that such wiring is served from a commercial source, and shall be equipped with a battery backup.

   Exception: Smoke alarms are permitted to be solely battery operated in buildings where:

a. No construction is taking place.
b. Where a wireless interconnected smoke alarm system, with a minimum 10 year warranty for the smoke alarms, is installed.
c. Buildings that are not served from a commercial power source.
d. Areas of buildings undergoing alterations or repairs that do not result in the removal of interior wall or ceiling finishes exposing the structure, providing access for wiring. If there is an attic, crawl space or basement available which could provide access for building wiring, without the removal of interior finishes, this exception will not apply.

B. Carbon Monoxide Alarms

UL listed carbon monoxide alarm(s) shall be installed outside of each sleeping area, in the immediate vicinity of all bedrooms, if one or both of the following conditions exist:

1. The dwelling contains fuel burning appliances.
2. The dwelling has an attached garage.

<u>Division XX: Earthwork</u>

A. Drainage: Homes rehabbed for resale or if correction of drainage is included in the scope of work, shall comply with the following standards:

Conditions causing inadequate drainage or standing water near the structure shall be corrected to provide adequate drainage away from the structure by one or more of the following suggested methods:

1. Adjust backfill to allow for 6" fall in 10' (4% slope) away from the foundation walls.
2. Adjust grade to create a swale to divert water away from the foundation walls.
3. Install a French drain near the structure and discharge to an approved drainage system, ditch, or water retention area.
4. An agency proposed and LHC approved method. Acceptable engineering practices will be considered.

<u>Division XXI: Exterior Improvements</u>

Sections A, B, C, D, and E shall apply to all houses rehabbed for resale.

A. Existing Trees and Shrubbery: Trees, shrubs, and other plantings shall be in a condition which does not prohibit access to the structure or utility connections, or cause damage to the structure or walkways.

B. Parking/Driveways:

1. Existing parking and driveways shall be restored to a good condition.
2. The parking area shall be one of the following materials:
   a. Crushed #57 limestone gravel, 4" thick, and compacted
   b. Hot mix asphaltic concrete pavement
   c. Concrete
3. For urban locations where onsite parking is not typical, local, street parking regulations shall apply.

C. Walkways:

1. Existing walkways shall be in a good condition and free of cracks and joints with elevation changes greater than ½". Defective conditions, such as excessive deterioration, shall be corrected by replacing the defective area.
2. All dwelling units shall have a paved walkway, from the parking area or street, to the dwelling's main entrance.
3. New walkways shall be constructed a minimum of 42" in width and 3 ½" in thickness.
    a. Walkways shall not exceed 4% slope in the direction of travel.
    b. Walkways shall have 2% cross slope, perpendicular to the direction of travel or crowned in the center, to allow for proper drainage.
    c. Walkways shall have isolation joints at connections to structures and cross walks per ACI 318 requirements.

D. Public walks

1. Public walkways shall be free of hazardous conditions and excessive deterioration.
2. Replacement of public walks shall be completed in accordance with the AHJ rules and regulations.
3. Replacement walkways shall be ADA complaint.

E. Soil Treatment-Termite Protection: If termites are discovered during initial evaluation or rehabilitation of the structure, provide proper and complete termite treatment by a licensed exterminator.

<u>Division XXII: Utility Services</u>

A. Capacity: Houses rehabbed for resale or if utilities are altered in the scope of work, shall meet the following standards.

1. All utility services shall be sized to adequately provide sufficient power, flow, volume, pressure, and drainage to allow for safe, dependable service of appliances and fixtures.
2. Insufficient supply of utilities shall be corrected during the rehabilitation process.

Exhibit 1: Deficiency List

Health Safety Issues:

Air quality:
Deficiency: You see mold or mildew or evidence of water infiltration or other moisture producing conditions.
Deficiency: You detect strong propane, natural gas, or methane gas odors that could:

- Pose a risk of explosion/fire.
- Pose a health risk if inhaled

Deficiency: You detect sewer odors.

Electrical:
Deficiency: You see exposed bare wires or openings in electrical panels.
Deficiency: You see water leaking, puddling or ponding on or immediately near any electrical apparatus. This could pose a risk of fire, electrocution or explosion.

Combustible materials:
Deficiency: Flammable materials or combustible materials are improperly stored near a heat or electrical source, causing the potential risk of fire or explosion.

Indoor Garbage:
Deficiency:
-Too much garbage has gathered; more than the planned storage capacity.
-or
-Garbage has gathered in an area not sanctioned for staging or storing garbage or debris.
Hazards
Deficiency: You see any physical defect that could cause cutting or breaking human skin or other bodily harm, generally in commonly used or traveled areas.
Deficiency: You see any physical defect that poses a tripping risk, generally in walkways or other traveled areas. Typically, the defect must present at least a three-quarter inch deviation.

Infestation:
Deficiency: You see evidence of infestation of insects, including roaches and ants throughout a unit or room, especially in food preparation and storage areas.
Deficiency: You see evidence of rats or mice sightings, rat or mouse holes, or droppings.

Level 3 Deficiencies:

Bathroom:
(lavatory) *Level 3:* The sink cannot be used because the sink or associated hardware is missing or has failed.

(drains) *Level 3:* The fixtures are not usable, because the drain is completely clogged or shows extensive deterioration.

(faucets in bathroom) *Level 3:* You see a steady leak that is adversely affecting the area around it.
-or

The faucet or pipe cannot be used.

(shower/tub) *Level 3:* The shower or tub cannot be used for any reason. The shower, tub, faucets, drains, or associated hardware is missing or has failed.

(water closet) *Level 3:* The bowl is fractured or broken and cannot retain water.
-or
The water closet/toilet is missing.
-or
There is a hazardous condition.
-or
The water closet/toilet cannot be flushed, because of obstruction or another defect.

Help/Call System:
(call for aid) *Level 3: The system does not function.*

Interior Unit Ceilings:
(ceiling) *Level 3:* You see bulging, buckling, sagging, or a problem with alignment.

(ceiling) *Level 3:* You see a hole that penetrates the area above. You can see through it.

(ceiling water damage) *Level 3:* On 1 ceiling, you estimate that a very large area (more than 1 square foot) of its surface has been substantially saturated or damaged by mold or mildew. The ceiling surface may have failed.

Unit Doors:
(doors) *Level 3:* At least 1 bathroom door or entry door is not functioning or cannot be locked because of damage to the frame, header, jamb, threshold, lintel, or trim.

(door hardware) *Level 3:* A bathroom door or entry door does not function as it should because of damage to the door's hardware.

-or
A bathroom door or entry door that requires locking cannot be locked because of damage to the door's hardware.
(doors surface damage) *Level 3:* One door has a hole or holes larger than 1 inch in diameter, significant peeling/cracking/no paint, rust that affects the integrity of the door surface, or broken/missing glass.

(security doors) *Level 3:* A security door is not functioning or missing.
Comment:
Level 3: "Missing" applies only if a security door that should be there is not there.

(doors) *Level 3:* The seals are missing on 1 entry door, or they are so damaged that they do not function as they should.

(doors) *Level 3:* A bathroom door or entry door is missing.
-or

You estimate that more than 50% of the unit doors, not including bathroom doors and entry doors, are missing.

Electrical System:
(electrical system) *Level 3:* One or more fixed item(s) of sufficient size and weight can impede access to the unit's electrical panel during an emergency.

(breakers/fuses) *Level 3:* You see any carbon residue, melted breakers, or arcing scars.

(electrical leaks/corrosion) *Level 3:* Any corrosion that affects the condition of the components that carry electrical current.
-or
Any stains or rust on the interior of electrical enclosures.
-or
Any evidence of water leaks in the enclosure or hardware.

(electrical wiring) *Level 3:* You see any nicks, abrasions, or fraying of the insulation that expose any conducting wire.

(GFCI protection) *Level 3:* The GFI does not function.

(fuses/breakers) *Level 3:* You see an open breaker port.

(electrical covers) *Level 3:* A cover is missing, and you see exposed electrical connections.
Floors:

(floors) *Level 3:* You see bulging, buckling, sagging, or a lack of horizontal alignment.

(floor covering) *Level 3:* You estimate that more than 50% of any single floor surface is affected by Level 1 deficiencies.
-or
The condition causes a safety problem.
Level 1: For any single floor surface, you see deficiencies in areas of the floor surface. You estimate that 5% to 10% of the floor is affected, and there are no safety problems.

(floor water damage) *Level 3:* On 1 floor, you estimate that a very large area (more than 1 square foot) of its surface has been substantially saturated or damaged by mold or mildew. The floor surface may have failed.

(floors deterioration) *Level 3:* You see large areas of rot, more than 4 square feet, and applying weight causes noticeable deflection.

(floor covering) *Level 3:* You estimate that more than 50% of any single soft floor covering is damaged.
-or
Damage to the soft floor covering exposes the underlying material.

Water Heater:
(water heater deterioration) *Level 3:* Because of this condition, the equipment or piping does not function.

(water heater inoperable) *Level 3:* After running, water from the hot water taps is not warmer than room temperature.

(water heater leaking *Level 3:*You see water leaking.

(water heater vent) *Level 3:* You see any misalignment of an exhaust system on a gas fired or oil fired unit that may cause improper or dangerous venting of gases.

(water heater pressure relief) *Level 3:* You see that the pressure relief valve on the unit water heating system is either missing or does not extend to the floor.

Heating System:
(heating unit) *Level 3:* At least 1 cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans.

(HVAC inoperable) *Level 3:* The HVAC system does not function; it does not provide the heating or cooling it should. The system does not respond when the controls are engaged.

(HVAC vent) *Level 3:* You see any misalignment of an exhaust system on a gas fired, oil fired or coal unit that may cause improper or dangerous venting of gases.

Kitchen:
(kitchen cabinets) *Level 3:* You see that more than 50% of the cabinets, doors, or shelves are missing or the laminate is separating.

(kitchen drains) *Level 3:* The drain is completely clogged or has suffered extensive deterioration.

(kitchen leaks) *Level 3: You see a steady leak that is having an adverse affect on the surrounding area, and the faucet or pipe is not usable.*

(range hood) *Level 3:* The exhaust fan does not function.
-or
You estimate that the flue may be completely blocked.

(kitchen range) *Level 3:* The unit is missing.
-or
Two or more burners are not functioning.
-or
The oven is not functioning

(kitchen refrigerator) *Level 3:* The refrigerator is missing.
-or
The refrigerator does not cool adequately for the safe storage of food.

(kitchen sink) *Level 3:* The sink or hard ware is either missing or not functioning.

Laundry:
(laundry) *Level 3:* Dryer vent is missing, damaged or is visually determined to be inoperable (blocked). Dryer exhaust is not effectively vented to the outside.

Electrical System:
(lighting) *Level 3:* In more than 2 rooms, a permanent light fixture is missing or not functioning, and no other switched light sources are functioning in the rooms.

(outlet/switches) *Level 3:* An outlet, switch or both are missing.

(outlet/switch cover plates) *Level 3:* A cover plate is missing, which causes wires to be exposed.

Porch:
(porch railings) *Level 3:* The baluster or side rails enclosing this area are loose, damaged or missing, limiting the safe use of this area.

Smoke Detectors:
(smoke detectors) *Level 3:* A single smoke detector is missing or does not function as it should.

Stairs:
(stairs) *Level 3:* A step is broken or missing.

(handrails) *Level 3:* The handrail for 4 or more stairs is either missing, damaged, loose or otherwise unusable.

Walls:
(walls) *Level 3:* You see bulging, buckling, sagging, or that the wall is not longer vertically aligned.

(walls damage) *Level 3:* You find a hole of any size that penetrates an adjoining room. You can see through the hole.
-or
Two or more walls have Level 2 holes.
Level 2: In a wall, you find a hole, missing tile or panel, or other damage that is larger than a sheet of paper, 8 ½ inches by 11 inches, and does not penetrate the adjoining room. You cannot see through it to the adjoining area.

(walls trim) *Level 3:* You see significant areas of deterioration in the wall surfaces, and you estimate that more than 50% of the wall area is affected.

(walls water damage) *Level 3:* On 1 wall, you estimate that a very large area (more than 1 square foot) of its surface has been substantially saturated or damaged by mold, or mildew. The wall surface may have failed.

Windows:
(window glass) *Level 3:* You see that a window pane is broken or missing from the window sash.

(window security) *Level 3:* A window is not functioning, but cannot be secured. In the immediate **area, there are no other windows that are functioning properly.**

(window sealing) *Level 3:* There are missing or deteriorated caulk, seals and/or glazing compound with evidence of leaks or damage to the window or surrounding structure.

(window security bars) *Level 3:* Exiting or egress is severely limited or impossible, because security bars are damaged, improperly constructed/installed, or security bars that are designed to open cannot be readily opened.

Appendix D

Compliance Monitoring Agreement

2415 Quail Drive, Baton Rouge, LA 70808
Main: 225-763-8700 | Toll-Free: 888-454-2001
Business Hours: 8:00 a.m. to 4:30 p.m. CST Monday- Friday

COMPLIANCE MONITORING LOW INCOME HOUSING TAX CREDITS UNIT

The fundamental rules of the LIHTC program appear in Section 42 of the Federal Internal Revenue Service Code (The Code) and the State of Louisiana's Qualified Allocation Plan (QAP). In addition to Section 42 of the Code and the QAP, LIHTC project owners/managers should familiarize themselves with the items listed below:

A. LOW-INCOME OCCUPANCY REQUIREMENTS

Owners of projects receiving LIHTCs agree to make a portion or all of the units in the property available for occupancy by low-income tenants. LIHTC Owners also agree to keep the rents for these units affordable to low-income tenants. The program establishes maximum rents for qualified low-income units in a project, based on a percentage of the area median income and unit size. The LIHTC minimum set-aside requirement selected by the owner establishes the project's minimum low-income occupancy. To qualify for LIHTCs, a project must contain a minimum number of qualified TC units. This number is determined by the minimum set-side selected for the project by the owner. The income requirement that TC units must satisfy differs according to the minimum set-aside selected. An owner must choose one of the following low-income set-asides:

i. 20/50 Set-Aside. This set-aside requires that a minimum of 20 percent of the units in a project be qualified TC units leased to tenants with incomes less than or equal to 50 percent of the area median income, adjusted for household size.

ii. 40/60 Set-Aside. This set-aside requires that a minimum of 40 percent of the units in a project be qualified TC units leased to tenants with incomes less than or equal to 60 percent of the area median income, adjusted for household size.

iii. 15/40 Set-Aside (Deep-Rent Skewed). This set-aside requires a minimum of 15 percent of the low-income units in a project be qualified TC units leased to tenants with incomes less than or equal to 40 percent of the area median income, adjusted for household size. Rent must be restricted to 30 percent of the applicable income level and rent for low-income units is not greater than 50 percent of rents charged to market rate tenants for comparable units.

All LIHTC projects must contain enough qualified TC units to satisfy the chosen set-aside by the end of the tax year following the year that the project was placed in service. If a project does not have enough TC units, the owner cannot claim the project's LIHTCs.

B. CERTIFICATION AND REVIEW

1. *Certification*. Owners must certify at least annually to the LHC that, for the preceding twelve (12) month period—

    i. the project met the requirements of the 20-50 test under Section 42(g)(1)(A), the 40-60 test under Section 42(g)(1)(B), whichever is applicable to the project;

    ii. there was no change in the applicable fraction (as defined in Section 42(c)(1)(B)) of any building in the project, or that there was a change, and a description of the change;

iii. the owner has received an annual income certification from each low-income tenant, and documentation to support that certification consistent with paragraph B.1.vii. of this section;

iv. each low-income unit in the project was rent-restricted under Section 42(g)(2);

v. all units in the project were for use by the general public, including the requirement that no finding of discrimination under the Fair Housing Act occurred for the project (meaning an adverse final decision by HUD, a substantially equivalent state or local fair housing agency or federal court);

vi. the buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project (owners must attach any violation report or notice to its annual certification and state whether the violation has been corrected);

vii. there was no change in the eligible basis (as defined in Section 42(d)) of any building in the project, or if there was a change, the nature of the change;

viii. all tenant facilities included in the eligible basis under Section 42(d) of any building in the project were provided on a comparable basis without charge to all tenants in the building;

ix. if a low-income unit in the building became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

x. if the income of tenants of a low-income unit in the project increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income; and

xi. an extended low-income housing commitment as described in Section 42(h)(6) was in effect, including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937;

xii. all low-income units in the project were used on a non-transient basis (except for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) or single room-occupancy units rented on a month-by-month basis under Section 42(i)(3)(B)(iv));

xiii. no tenants in low-income units were evicted or had their tenancies terminated other than for good cause and no tenants had an increase in the gross rent with respect to a low income unit not otherwise permitted under Section 42;

xiv. the ownership entity meets the requirements of the nonprofit set-aside if the project was allocated as such; and

xv. no unauthorized changes in ownership or management agent(s) have occurred.

2. *Review.*

i. The LHC will review the certifications submitted under paragraph B.1 of this section for compliance with the requirements of Section 42.

ii. With respect to each tax credit project—

a. the LHC will conduct on-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and, for at least twenty percent (20%) of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and

b. at least once every three (3) years, the LHC will conduct on-site inspections of all buildings in the project and, for at least twenty percent (20%) of the project's low income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units.

iii. The LHC will randomly select low-income units and tenant records to be inspected and reviewed.

3. *Frequency and Form of Certification.* The certifications and reviews of paragraph B.1 and 2. of this section will be made annually covering each year of the fifteen (15) year compliance period under Section 42(i)(1). The owner certifications will be made under penalty of perjury.

C. RECORDKEEPING AND RECORD RETENTION

1. *Recordkeeping.* Owners must keep records for each qualified low-income building in the project that show for each year in the compliance period—

i. the total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

ii. the percentage of residential rental units in the building that are low-income units;

iii. the rent charged on each residential rental unit in the building (including any utility allowances);

iv. the number of occupants in each low-income unit, but only if rent is determined by the number of occupants in each unit under Section 42(g)(2);

v. the low-income unit vacancies in the building and information that shows when, and to whom, the next available units were rented;

vi. the annual income certification of each low-income tenant per unit (for an exception to this requirement), see Section 42(g)(8)(B));

vii. documentation to support each low-income tenant's income certification (other than as covered by the special rule for a 100 percent low-income building) as determined under Section 8 or by a public housing authority;

viii. the eligible basis and qualified basis of the building at the end of the first year of the credit period; and

ix. the character and use of the nonresidential portion of the building included in the building's eligible basis under Section 42(d).

2. *Record Retention.* Owners must retain the records described in paragraph C.1 of this section for at least six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period, however, must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.

3. *Inspection Record Retention.* Owners must retain the original local health, safety, or building code violation reports or notices that were issued by the State or local government unit (as described in Section B.1.vi.) for the LHC's inspection under paragraph E. Retention of the original violation reports or notices is not required once the LHC reviews the violation reports or notices and completes its inspection, unless the violation remains uncorrected.

D. 15 YEAR COMPLIANCE PERIOD / 15 YEAR EXTENDED USE PERIOD

1. *Compliance and Extended Use Periods.* LIHTC project owners agree to comply with the program's affordability requirements throughout the compliance period for the project. Owners receiving a commitment of LIHTCs in 1990 or subsequent years execute an extended use agreement for the project which establishes a 15-year low-income occupancy extended use period and a 15-year low-income occupancy compliance period. Project owners receiving LIHTCs between 1987 and 1989 have a 15-year low-income occupancy commitment. A project's regulatory and extended use agreement are is a deed restriction (entitled "Tax Credit Regulatory Agreement of the Louisiana Housing Corporation") that project owners must sign and record in the local parish, clerk of court records at the time that the LIHTC project is placed in service. The agreement establishes the occupancy and affordability requirements, called special conditions, for the property, as well as the owner's obligations to LHC. The owner agrees to the restrictions on the use of the property set forth in the regulatory agreement.

The regulatory agreement binds the project owner and all succeeding owners for the full term of the agreement, regardless of whether the regulatory agreement is formally re-executed by the purchaser at the time of sale, assignment or assumption.

E. INSPECTIONS

1. UPCS

2. *In General.* The LHC has the right to perform an on-site inspection of any tax credit project at least through the end of the extended use period.

3. *Inspection Standard.* For the on-site inspections of buildings and low-income units required by paragraph B.2.ii. of this section, the LHC will review any local health, safety, or building code violations reports or notices retained by the owner under paragraph C.3. in order to determine whether—

   i. the buildings and units are suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards); or

   ii. the buildings and units satisfy, as determined by the LHC, the uniform physical condition standards for public housing established by HUD (24 CFR 5.703).

   The HUD physical condition standards do not supersede or preempt local health, safety, and building codes. A tax credit project under Section 42 must continue to satisfy these codes. The LHC will report any violation of these codes to the Service.

F. NOTIFICATION OF NONCOMPLIANCE

1. *In General*. The LHC will give the notice described in paragraph F.2.of this section to the owner of a tax credit project and the notice described in paragraph F.3 of this section to the Service.

2. Notice to Owner. The LHC will provide prompt written notice to the owner of a tax credit project if the LHC does not receive the certification described in paragraph B.1. of this section, or does not receive or is not permitted to inspect the tenant income certifications, supporting documentation, and rent records described in paragraph B.2.ii. of this section, or discovers by inspection, review, or in some other manner, that the project is not in compliance with the provisions of Section 42.

3. Notice to Internal Revenue Service.

   a. The LHC will file Form 8823, "Low-Income Housing Credit Agencies Report of Noncompliance," with the Service no later than 45 days after the end of the correction period (as described in paragraph F.4. of this section, including extensions permitted under that paragraph) and no earlier than the end of the correction period, whether or not the noncompliance or failure to certify is corrected. The LHC will explain on Form 8823 the nature of the noncompliance or failure to certify and indicate whether the owner has corrected the noncompliance or failure to certify. Any change in either the applicable fraction or eligible basis under paragraph B.1.ii. and vii. of this section, respectively, that results in a decrease in the qualified basis of the project under Section 42(c)(1)(A) is noncompliance that will be reported to the Service under this paragraph

F.3. If the noncompliance or failure to certify is corrected within three (3) years after the end of the correction period, the LHC will file Form 8823 with the Service reporting the correction of the noncompliance or failure to certify.

b. LHC retention of records. The LHC will retain records of noncompliance or failure to certify for six (6) years beyond the LHC's filing of the respective Form 8823. In all other cases, the LHC will retain the certifications and records described in paragraph C. of this section for three (3) years from the end of the calendar year the LHC receives the certifications and records.

4. *Correction Period*. The correction period shall be that period specified in the monitoring procedure during which an owner must supply any missing certifications and bring the project into compliance with the provisions of Section 42. The correction period is not to exceed ninety (90) days from the date of the notice to the owner described in paragraph E.2 of this section. The LHC may extend the correction period for up to six (6) months for good cause.

G. RESALE REQUIREMENTS

After an initial compliance period of 15 years, owners may sell a project only to a qualified buyer that agrees to maintain the low-income occupancy of the project if a qualified contract is presented to the owner by the housing credit agency within prescribed periods. Owners acquiring LIHTC projects must do so, subject to the restriction of the regulatory agreement. Owners of pre-1989 projects that have low-income occupancy compliance periods of only 15 years may sell the property to any buyer once their commitment has been fulfilled.

H. MIXED INCOME PROPERTIES

Mixed income properties require special tracking to comply with the 140% rule, next available unit rule, and the vacant unit rule.

I. ADDITIONAL REQUIREMENTS

Additional requirements may apply, based on the state Qualified Allocation Plan for the year a development's housing credits were allocated usually listed as special conditions.

J. LIHTC RECAPTURE PROVISIONS

If a project's qualified basis for a given tax year has decreased from the previous year, the IRS will recapture some or the entire accelerated portion of the project's credits claimed in previous years plus interest. A drop in the project's low-income occupancy reduces its qualified basis and triggers a recapture of LIHTCs. (Note: The accelerated portion refers to the additional amount of credits that the owner has been allowed to claim as a result of the program's use of a 10-year credit period rather than a 15-year credit period. Generally, the accelerated portion is equal to one-third of the credits claimed).

The determination of the amount to be recaptured is made by the IRS based on information reported by the owner and LHC, as well as data gathered by the IRS. The IRS will recapture the

credits by increasing the owner's tax liability to cover the credit recapture amount with interest. IRS Form 8611 and its instructions explain how the recapture amount and any interest charged are calculated.

K. KEEPING SUFFICIENT LIHTC UNITS

To retain the full tax benefits from an LIHTC project, the minimum qualified basis established at the time the owner began claiming credits must be maintained throughout the compliance period. More specifically, owners/managers must make sure that (i) the applicable fraction of TC units for the project does not drop below the fraction established in the first year of the credit period and (ii) that the owners/managers avoid subsequent actions which affect eligible basis to avoid a drop in qualified basis.

If the qualified basis of any project falls below the qualified basis reported for the preceding year, the owner may not be able to claim the full amount of the project's credits for that year and the IRS may recapture a portion of the project's tax credits claimed in previous years. If the low-income occupancy of the project falls below the applicable minimum set-aside, the owner cannot claim any of the project's credits for that year and the IRS will take action to recapture credits claimed in previous years (see LIHTC Recapture Provisions above).

L. PROJECTS RECEIVING ASSISTANCE THROUGH OTHER PROGRAMS

1. *Addressing Overlapping Requirements.* LIHTC projects may be receiving assistance from other federal or state housing programs. Other programs include but are not limited to:

    i. HOME Program (HUD)

    ii. Affordable Housing Disposition Program (FDIC)

    iii. Historic Tax Credits Program

    iv. CDBG Grants/Loans (See Local Program Requirements)

    v. Rental Rehabilitation

    vi. Affordable Housing Program (Federal HOME Loan Bank)

    vii. RD 515 Program (USDA)

    viii. Section 8 Program (HUD)

    ix. Piggy Back (OCD Funding)

    x. Permanent Supportive Housing Developments (PSH)

2. In cases where LIHTC requirements differ from those of other programs, owners/managers should follow the most restrictive requirement. Taking this approach will ensure owners/managers meet LIHTC requirements and their responsibilities under other applicable

programs. For example, the Federal Deposit Insurance Corporations Affordable Housing Disposition Program (AHDP) requires that the dwelling lease for designated qualifying units include specific provisions. If an LIHTC project was purchased through AHDP, the leases of TC units that are also counted as qualifying units under AHDP must contain the required provisions.

Appendix E

Asset Management Procedures

2415 Quail Drive, Baton Rouge, LA 70808
Main: 225-763-8700 | Toll-Free: 888-454-2001
Business Hours: 8:00 a.m. to 4:30 p.m. CST Monday- Friday

Asset Management

Federal law requires the Corporation to monitor low-income housing tax credit and TCAP properties for compliance with the requirements of §42 of the IRC and notify the IRS of any noncompliance. The Corporation is responsible for monitoring compliance of reporting requirements, regulatory compliance and ensuring the ongoing physical and long-term viability of all low-income housing tax credit and TCAP funded projects.

The LHC Asset Management Department is responsible for monitoring all projects that have been placed in service. The goal of the Asset Management Department is provide oversight of the project's financial performance, physical condition and compliance with applicable regulations to ensure projects are providing safe and affordable housing.

Throughout the Compliance Period and Extended Use Period, monitoring of the projects performance will include a review of following:

a. Initial Underwriting Assumptions
b. Annual Audited Financial Statements and Supplemental Information
c. Regulatory Annual Reporting / Submission Requirements
d. Onsite Monitoring / Physical Condition

The initial underwritten assumptions for funded projects are set forth in the Section IV-D of the 2015 Qualified Allocation Plan and are listed below:

- Rate of Increase Assumptions for Revenues and Expenses: Revenues may be projected to increase at a rate not in excess of two percent (2%) and expenses must be projected to increase at a rate of not less than OCAF or three percent (3%).

- Required Debt Service Ratios: Debt service ratios may not fall below 1.15 (1.10 for RHS Properties) unless the Taxpayer/Owner executes an appropriate escrow or acceptable guarantee in an amount equal to the maximum cumulative cash flow shortfall. If Debt Service Ratios during the credit period with respect to all debt exceeds 1.4, the excess cash flow must be deposited to the Reserves for Replacement or used to prepay hard debts. The Minimum Reserve Balance shall be increased by such excess cash flow.

- Maximum Return on Taxpayer Capital for Projects with Soft Funds (HOME, CDBG, or TCAP) and Distributions of Surplus Cash: Any project which receives Soft Funds from the Corporation and which evidences satisfaction of the Minimum Reserve Balance will be permitted a Capital Recovery Payment on Taxpayer Capital equal to 350 basis points above the comparable Treasury bill yields as of the Closing Date that are coterminous with the return of taxpayer capital over a maximum ten year period. Tax Credit equity shall be disregarded as Taxpayer Capital. Surplus Cash evidenced in annual audits may be distributed each fiscal year so long as such distributions are limited to not exceeding fifty percent (50%) of such Surplus Cash.

- Terms Required for Cash Flow Notes: Any cash flow note associated with the acquisition of an existing project must be accompanied by a schedule establishing the imputed principal of the cash flow note under Section 1274(b) of the Internal Revenue Code and any basis adjustment of the note and project pursuant to Section 1.1275-4(c) of the Treasury Regulations. All cash flow

notes must mature on or before the end of the economic life of the project which may not exceed 55 years unless such cash flow note is a Developer Fee Cash Flow Note, in which case such Developer Fee Cash Flow Note must mature by the end of the initial Compliance Period of 15 years.

- Vacancy Rate: Assume a five percent (5%) vacancy rate and two percent (2%) bad debt unless the project is located in a "soft" market as determined by the Independent Qualified Housing Consultant within which a higher vacancy allowance will be required.

- Required Deposit to Reserves for Replacement: Minimum replacement reserves should equal $250 per unit per year for new construction developments for seniors and $300 per unit per year for new construction developments for families and developments involving rehabilitation. If the reserve deposits specified in Capital Needs Assessment exceed the foregoing minimum reserve deposits following rehabilitation, then the deposits to the reserved for replacement shall be the higher amount specified in the Capital Needs Assessment. Notwithstanding the foregoing, if HUD or RD finances the first mortgage, the annual deposit to the Reserves for Replacement may be determined in accordance with HUD or RD policies or regulations. Deposits to the Reserves for Replacement will be regulated and monitored in accordance with the Tax Credit Regulatory Agreement.

- Maximum Rents: Pro forma Rents for Application purposes may not exceed the lowest of market rents evidenced in the market study, HUD's most recently published fair market rents (FMR) or the maximum rent permitted by Section 42 or any subsidy program which benefits the project. Actual rents may not exceed the maximum rent permitted by Section 42 of the Code.

- Minimum Operating and Maintenance Expenses: Minimum operating and maintenance expenses shall not be less than $3,600 per unit per year. For an existing project undergoing rehabilitation the Minimum Operating and Maintenance Expenses shall be increased if, following a review of the prior three years of audits of the project's operations, the expenses exceed the minimums and if the rehab to be completed will not reduce the historic expenses. SRO Projects shall evidence appropriate subsidies to sustain the proposed operating budget.

- Minimum Reserve Balance: Minimum operating reserves should equal six months of projected operating expenses. Initial operating reserves of up to $2,000 per unit per year may be funded from project development sources. Initial operating reserves exceeding $2,000 per unit must be funded either with deferred developer fees, unsecured debt or soft cash flow debt.

Audited Financial Statements will be required annually based upon the following:

- Audited Financial Statements: Tax Payer / Owners must submit annual audited financial statements to the Corporation, in the format prescribed in the Corporation's audit instructions, the year following the placed in service date of a project. The financial statements must include supplementary information; a schedule of income and expenses using the HUD Chart of Accounts. All cash distributions and withdrawals from operating reserves and / or reserves from replacement must be explained in the footnotes to the audit and all payments to related Persons and contractors with an identity of interests to the Tax Payer / Owner must be

identified. Annual audits must be received within one hundred and twenty days (120) after the end of each fiscal year.

Other annual reporting requirements include:

- Compliance Monitoring Fees: The Corporation shall charge an annual compliance monitoring fee for all low income housing tax credit properties, in order to reimburse the Corporation for the cost of monitoring compliance with §42 of the IRC. The fee will be charged on February 15th of each year for the preceding calendar year.

- HUD Tenant Data Collection: Pursuant to the Housing and Economic Recovery Act of 2008 (HERA), the Corporation is required to furnish to the Secretary of Housing and Urban Development, not less than annually, information concerning the race, ethnicity, family composition, age, income, use of rental assistance under section 8(o) of the US Housing Act of 1937 or other similar assistance, disability status, and monthly rental payments of all low income housing tax credit households.

  Accordingly, the Corporation shall collect such information annually from the owners of low income housing tax credit properties in the form and at the times required to facilitate the Corporation's reporting requirements.

- Owners Certification: Under the certification provision, the owner of a low-income housing project must be required to certify at least annually to the Corporation that, for the preceding 12-month period -

  (i) the project met the requirements of the 20-50 test under Section 42(g)(1)(A), the 40-60 test under Section 42(g)(1)(B), whichever is applicable to the project;
  (ii) there was no change in the applicable fraction (as defined in Section 42(c)(1)(B)) of any building in the project, or that there was a change, and a description of the change;
  (iii) the owner has received an annual income certification from each low-income tenant, and documentation to support that certification consistent with paragraph (b)(1)(vii) of this section;
  (iv) each low-income unit in the project was rent-restricted under Section 42(g)(2);
  (v) all units in the project were for use by the general public, including the requirement that no finding of discrimination under the Fair Housing Act occurred for the project (meaning an adverse final decision by HUD, a substantially equivalent state or local fair housing agency or federal court);
  (vi) the buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project (owners must attach any violation report or notice to its annual certification and state whether the violation has been corrected);
  (vii) there was no change in the eligible basis (as defined in Section 42(d)) of any building in the project, or if there was a change, the nature of the change;
  (viii) all tenant facilities included in the eligible basis under Section 42(d) of any building in the project were provided on a comparable basis without charge to all tenants in the building;

(ix) if a low-income unit in the building became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

(x) if the income of tenants of a low-income unit in the project increased above the limit allowed in Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income; and

(xi) an extended low-income housing commitment as described in Section 42(h)(6) was in effect, including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937;

(xii) all low-income units in the project were used on a non-transient basis (except for transitional housing for the homeless provided under Section 42(i)(3)(B)(iii) or single room- occupancy units rented on a month-by-month basis under Section 42(i)(3)(B)(iv));

(xiii) no tenants in low-income units were evicted or had their tenancies terminated other than for good cause and no tenants had an increase in the gross rent with respect to a low income unit not otherwise permitted under Section 42;

(xiv) the ownership entity meets the requirements of the nonprofit set-aside if the project was allocated as such; and

(xv) no unauthorized changes in ownership or management agent(s) have occurred.

LHC will perform onsite monitoring of projects in accordance with §42 of the IRC. Detailed monitoring procedures are provided in the Corporation's Compliance Monitoring Guide.

The Corporation reserves the right to adopt and modify standards, policies, procedures and requirements as necessary to comply with changes in applicable industry standards, federal law or regulations in administering the low-income housing tax credit and TCAP programs.

Appendix F

Fair Housing Principles and Requirements

2415 Quail Drive, Baton Rouge, LA 70808
Main: 225-763-8700 | Toll-Free: 888-454-2001
Business Hours: 8:00 a.m. to 4:30 p.m. CST Monday- Friday

FAIR HOUSING PRINCIPLES AND REQUIREMENTS

The mission of the Louisiana Housing Corporation is to create housing choice and provide opportunities for all residents of the State of Louisiana to be included in patterns for housing occupancy, regardless of their race, color, national origin, religion, sex, familial status or disability. In keeping with this mission, the LHC seeks to encourage projects with characteristics that are consistent with guiding fair housing principles that will offer expanded opportunities to classes of persons protected under fair housing laws who are underserved in the community in which the project is to be located.

It shall the goal of the LHC to ensure that new and ongoing programs and policies are designed to affirmatively further fair housing, promote equity and equality, and provide the utmost opportunity for choice. In order to achieve this goal, the LHC shall be guided by the following principles:

- Direct resources to those projects that promote the ideals and principles of and affirmatively further fair housing.
- Increase diversity among residents and create an environment that fosters the bridging of differences among residents regardless of their race, color, national origin, religion, sex, familial status or disability.
- Support public and private proposals for housing and community investments that promote equality and opportunity for all residents of the State of Louisiana, and that provide opportunities for integrated social, educational, and recreational experiences.
- Generate quality affordable housing opportunities that are accessible to all residents of the State of Louisiana, both in geography and architectural design.
- Embolden residents to make informed housing choices and recognize the broad range of housing opportunities available to them by targeting high-poverty areas to provide information and assistance with respect to the available homeownership and rental opportunities and how to access those choices.
- Promote communities that will improve the quality of life for existing residents and will attract new residents to create diverse, positive, and desirable communities for people to live in, regardless of income.
- Preserve and produce affordable housing choices by encouraging rehabilitation of existing affordable housing while ensuring that investment in new developments promotes diversity.
- Ensure that the allocation of resources is commensurate to the need for housing as addressed by the LHC's Housing Needs Assessment and as identified by community stakeholders.
- Thoroughly enforce fair housing and anti-discrimination laws and policies by directing resources only to projects that conform to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, and architectural accessibility laws.

The LHC reserves the right to deny applications for projects determined to have a discriminatory effect in violation of the Fair Housing Act. Furthermore, the LHC reserves the right to waive any provision or requirement of the QAP in order to affirmatively further fair housing.

ARCHITECT'S CERTIFICATION OF COMPLIANCE WITH DESIGN

REQUIREMENTS FOR ACCESSIBLE HOUSING

PROJECT NAME: _____

Check As Applicable: ____New Construction ____Substantial Rehabilitation

____Moderate Rehabilitation ____Single Family Homes

____Townhouse ____Elevator

____Walkup Apartments ____Non-Elevator

____Multi-Family _____Special Needs _____Elderly _____Handicapped

To the best of my knowledge and belief I certify that I have designed the referenced project in conformance with the following rules and regulations as they apply to this project and as amended by Federal, State, and local authorities:

CHECK ALL THAT APPLY	**APPLICABLE**
The Fair Housing Act of 1988	_____
Uniform Federal Accessibility Standards	_____
Section 504 of the Rehabilitation Act of 1973	_____
Americans with Disabilities Act Accessibility Guidelines	_____
Any other state or local code or regulation pertaining to design	_____

In reference to the above project, I hereby further certify as follows:

The project contains a total of _____ rental housing units.

Of this total, _____ units have been designed and will be equipped for the mobility impaired.

Of this total, _____ units have been designed and will be constructed to include features for individuals with hearing or vision impairment.

Architect: Owner:

_____ _____ _____ _____

Signature Date Signature Date

_____ _____

Printed Name Printed Name

AFFIRMATIVELY FURTHERING FAIR HOUSING MARKETING PLAN

The Applicant must include an affirmative marketing plan in the Application in accordance with fair housing requirements that demonstrates how the Project will meet lease up requirements consistent with I.R.C. § 42 and any requirements of the Equity Investors and permanent lenders to the Project. The marketing plan must specifically address any potentially adverse demographic, rent-up or capture rate information in the Application for the primary market area identified in the Market Study. If Applicant has designated certain Units for a certain population, the marketing plan must indicate how the population will be targeted.

The HUD Affirmative Fair Housing Marketing Plan (HUD Form 935-2a) may be obtained through the following website under the HUD-9 link in the center of the page:
http://www.hud.gov/offices/adm/hudclips/forms